



**SHARE INDIA SECURITIES LIMITED**  
Corporate Identity Number: - U67120UP1994PLC050209

Our Company was originally incorporated on July 12, 1994 as "FMS Securities Limited" vide Registration no. 02-04175 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong and received Certificate for Commencement of Business on July 20, 1994. Further the Registered Office of the Company was changed to National Capital Territory of Delhi & Haryana from Assam and fresh certificate for change in registered office was issued by Registrar of Companies, National Capital Territory of Delhi & Haryana dated December 21, 2000 pursuant to CLB Eastern Region Bench order dated August 09, 2000. In the year 2000, our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the control of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mrs. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat. Pursuant to the scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon'ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited, vide a fresh certificate of Incorporation pursuant to change of name dated July 15, 2010 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 having CIN U67120UP1994PLC050209 pursuant to Company Law Board, New Delhi Bench order dated April 17, 2012. For further details please refer to chapter titled "History and Certain Corporate Matters" beginning on page 128 of this Prospectus.

**Registered Office:** 6th Milestone, New Bhai-Chara Complex, Opp Mata Mandir, Chikambarpur, UP Border, Sahibabad, Ghaziabad, Uttar Pradesh-201006

**Corporate Office:** 14, Dayanand Vihar, Ground Floor, Near Karkardooma Metro Station, Vikas Marg Ext. Delhi – 110092, India

**Tel No:** +91-11-43011000; +91-0120-64702730; **E-mail:** [info@shareindia.com](mailto:info@shareindia.com), [www.shareindia.com](http://www.shareindia.com)

**CONTACT PERSON: MR. VIKAS AGGARWAL, (COMPANY SECRETARY & COMPLIANCE OFFICER)**

**PROMOTER OF OUR COMPANY: MR. PARVEEN GUPTA, MR. SACHIN GUPTA, MR. YASHPAL GUPTA & MR. RAJESH GUPTA**

**THE ISSUE**

**INITIAL PUBLIC OFFER OF 64,32,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SHARE INDIA SECURITIES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF RS. 41 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 31 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO RS. 2637.12 LAKHS ("ISSUE") CONSISTING OF A FRESH ISSUE OF 59,32,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. 41 PER EQUITY SHARE AGGREGATING TO RS. 2432.12 LAKHS ("ISSUE") AND 5,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. 41 PER EQUITY SHARE AGGREGATING TO RS. 205 LAKHS THROUGH AN OFFER FOR SALE BY MR. PARVEEN GUPTA, MR. SACHIN GUPTA, MR. YASHPAL GUPTA, MR. RAJESH GUPTA, MRS. REKHA GUPTA & MRS. TRIPTI GUPTA (COLLECTIVELY REFERRED AS SELLING SHAREHOLDERS INCLUDING PROMOTERS) OF WHICH 3,24,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH FOR A CASH PRICE OF RS. 41 PER EQUITY SHARE, AGGREGATING TO RS. 132.84 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 61,08,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH AT AN ISSUE PRICE OF RS. 41 PER EQUITY SHARE AGGREGATING TO RS. 2504.28 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.33% AND 25.01%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 271 OF THIS PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00 EACH AND THE ISSUE PRICE IS ₹41. THE ISSUE PRICE IS 4.10 TIMES OF THE FACE VALUE.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE RELATED INFORMATION" BEGINNING ON PAGE 271 OF THIS PROSPECTUS.**

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 280 of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 280 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is ₹4.10 times of the face value. The Issue Price (will be determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph 'Basis for Issue Price' on page 95 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 14 of this Prospectus.**

**ISSUER'S & SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY**



Our Company & Selling Shareholders having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received an approval letter dated September 13, 2017 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**

|  |   |
|--|---|
|  <b>Hem Securities Ltd</b>  |    |
| <b>HEM SECURITIES LIMITED</b><br>90/4, Naman Midtown- Wing A, 9Th Floor, Senapati Bapat Marg,<br>Elphinstone Road, Lower Parel, Mumbai-400013<br><b>Tel. No.:</b> +91- 022- 4906 0000<br><b>Fax No.:</b> +91- 022- 2262 5991<br><b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a><br><b>Email:</b> <a href="mailto:hb@hemsecurities.com">hb@hemsecurities.com</a><br><b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a><br><b>Contact Person :</b> Mr. Anil Bhargava<br><b>SEBI Regn. No.</b> INM000010981 | <b>BIGSHARE SERVICES PRIVATE LIMITED</b><br>E2 Asna Industrial Estate, Saki Vihar Road<br>Sakinaka Andheri East, Mumbai -400072<br><b>Tel No.:</b> +91-22-40430200; <b>Fax No.:</b> +91-22-28475207<br><b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a><br><b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a><br><b>Contact Person:</b> Mr. Srinivas Dornala<br><b>SEBI Regn. No.:</b> INR000001385 |

**ISSUE PROGRAMME**

**ISSUE OPENS ON: September 21, 2017**

**ISSUE CLOSES ON: September 26, 2017**

## TABLE OF CONTENTS

| SECTION     | CONTENTS   | PAGE NO. |
|-------------|--|----------|
| <b>I</b>    | <b>GENERAL</b>   |          |
|             | DEFINITIONS AND ABBREVIATIONS  | 1        |
|             | CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION & MARKET DATA & CURRENCY OF FINANCIAL PRESENTATION | 11       |
|             | FORWARD LOOKING STATEMENTS   | 13       |
| <b>II</b>   | <b>RISK FACTORS</b>  | 14       |
| <b>III</b>  | <b>INTRODUCTION</b>  |          |
|             | SUMMARY OF OUR INDUSTRY  | 31       |
|             | SUMMARY OF OUR BUSINESS  | 35       |
|             | SUMMARY OF OUR FINANCIALS  | 39       |
|             | THE ISSUE  | 47       |
|             | GENERAL INFORMATION  | 49       |
|             | CAPITAL STRUCTURE  | 57       |
|             | OBJECTS OF THE ISSUE   | 88       |
|             | BASIC TERMS OF ISSUE   | 93       |
|             | BASIS FOR ISSUE PRICE  | 95       |
|             | STATEMENT OF TAX BENEFITS  | 98       |
| <b>IV</b>   | <b>ABOUT THE ISSUER COMPANY</b>  |          |
|             | INDUSTRY OVERVIEW  | 100      |
|             | OUR BUSINESS   | 106      |
|             | KEY INDUSTRY REGULATIONS AND POLICIES  | 117      |
|             | HISTORY AND CERTAIN CORPORATE MATTERS  | 128      |
|             | OUR MANAGEMENT   | 136      |
|             | OUR PROMOTERS & PROMOTER GROUP   | 152      |
|             | OUR GROUP COMPANIES  | 159      |
|             | OUR SUBSIDIARY & ASSOCIATE COMPANY   | 166      |
|             | DIVIDEND POLICY  | 170      |
| <b>V</b>    | <b>FINANCIAL INFORMATION OF THE COMPANY</b>  |          |
|             | AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL STATEMENT  | 171      |
|             | AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENT  | 199      |
|             | STATEMENT OF FINANCIAL INDEBTEDNESS  | 226      |
|             | MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS                   | 228      |
| <b>VI</b>   | <b>LEGAL AND OTHER INFORMATION</b>   |          |
|             | OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS  | 241      |
|             | GOVERNMENT AND OTHER APPROVALS   | 250      |
|             | OTHER REGULATORY AND STATUTORY DISCLOSURES   | 256      |
| <b>VII</b>  | <b>ISSUE RELATED INFORMATION</b>   |          |
|             | TERMS OF THE ISSUE   | 271      |
|             | ISSUE STRUCTURE  | 277      |
|             | ISSUE PROCEDURE  | 280      |
|             | RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES   | 317      |
| <b>VIII</b> | <b>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>  | 319      |
| <b>IX</b>   | <b>OTHER INFORMATION</b>   |          |
|             | MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION  | 346      |
|             | DECLARATION  | 348      |



## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

*The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of Articles of Association” on pages 98, 171 and 319 respectively, shall have the meaning ascribed to such terms in such sections.*

*Unless the context otherwise indicates, all references to “SHARE INDIA”, “the Company”, “our Company”, “the Issuer”, “we”, “us” and “our” are references to Share India Securities Limited., a company incorporated in India under the Companies Act 1956 having its Registered office at 6<sup>th</sup> Milestone, New Bhai –Chara Complex, opp Mata Mandir, Chikambarpur up Border Sahibabad, UP-201006 India and “you”, “your” or “yours” refer to Prospective investors in this Issue.*

#### Company related terms

| <b>Term</b>                                | <b>Description</b>  |
|--|---|
| AOA / Articles / Articles of Association   | Articles of Association of Share India Securities Limited., as amended from time to time.   |
| Associate Companies                        | A body corporate in which our company has a significant influence, but which is not a subsidiary of our company and includes a joint venture company.   |
| Auditors/ Statutory Auditors               | The Auditors of Share India Securities Limited being M/s T. K. Gupta & Associates, Chartered Accountants.   |
| Audit Committee                            | The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  |
| Bankers to the Company                     | ICICI Bank Limited and HDFC Bank Limited  |
| Board of Directors / the Board / our Board | The Board of Directors of Share India Securities Limited., including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 136 of this Prospectus. |
| CIN  | Corporate Identification Number.  |
| Chief Financial Officer                    | The Chief financial Officer of our Company being Mr. Vijay Kumar Rana.  |
| Companies Act / Act                        | The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.   |
| Company Secretary and Compliance Officer   | The Company Secretary and Compliance Officer of our Company being Mr. Vikas Aggarwal  |
| Corporate Office                           | 14,Dayanand Vihar, Ground Floor, Near Karkardooma Metro Station, Vikas Marg Ext. Delhi-110092, India  |
| CSR Committee                              | The Corporate Social Responsibility committee of our Board constituted in accordance with the Companies Act, 2013   |
| Depositories Act                           | The Depositories Act, 1996, as amended from time to time.   |
| Depositories                               | National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).   |
| DIN  | Directors Identification Number.  |
| Director(s) / our Directors                | The Director(s) of our Company, unless otherwise specified.   |
| Equity Shares                              | Equity Shares of the Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof.  |



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| Equity Shareholders                          | Persons/ Entities holding Equity Shares of our Company.  |
| Group Companies/ Group Company               | The word “group companies”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the company as disclosed in “ <i>Our Group Companies</i> ” promoted by the Promoter on page 159 of this Prospectus.   |
| HUF  | Hindu Undivided Family.  |
| IBC  | The Insolvency and Bankruptcy Code, 2016   |
| IFRS   | International Financial Reporting Standards  |
| Independent Director                         | An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and the Listing Regulations.   |
| Indian GAAP                                  | Generally Accepted Accounting Principles in India  |
| ISIN   | International Securities Identification Number. In this case being – INE932X01018  |
| IT Act                                       | The Income Tax Act, 1961 as amended till date  |
| Key Management Personnel/ KMP                | Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” on page 136 of this Prospectus.  |
| JV/ Joint Venture                            | A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.  |
| Materiality Policy                           | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on July 06, 2017, in accordance with the requirements of the SEBI (ICDR) Regulations   |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of Share India Securities Limited as amended from time to time.  |
| Nomination and Remuneration Committee        | The Nomination and Remuneration committee of our Board constituted in accordance the Companies Act, 2013 and the Listing Regulations   |
| Non- Executive Director                      | A Director not being an Executive Director.  |
| NRIs / Non-Resident Indians                  | A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.   |
| Offered Shares                               | Collectively, the shares offered by Promoter   |
| Peer Review Auditor                          | Independent Auditor having a valid Peer Review certificate in our case being M/s Narendra Sharma & Co., Chartered Accountants.   |
| Person or Persons                            | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.  |
| Promoters                                    | Shall mean promoters of our Company i.e. Mr. Rajesh Gupta, Mr. Sachin Gupta, Mr. Yash Pal Gupta and Mr. Parveen Gupta  |
| Promoter Group                               | Includes such Persons and entities constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 152 of this Prospectus.  |
| RBI Act                                      | The Reserve Bank of India Act, 1934 as amended from time to time.  |
| Registered Office of our Company             | 6 <sup>th</sup> Milestone, New Bhai-Chara Complex Opp Mata Mandir, Chikambarpur UP Border, Sahibabad, Uttar Pradesh - 201006 India   |
| Reserve Bank of India/RBI                    | Reserve Bank of India constituted under the RBI Act.   |
| Restated Consolidated Financial Statements   | The consolidated financial statements of our Company’s assets and liabilities as at March 31, 2017 & 2016 and the consolidated statements of profit and loss and cash flows for the same period of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto. |
| Restated Financial Information               | The restated audited financial statements of our Company, which comprises of the restated audited balance sheet, the restated audited profit and loss  |



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|   | information and restated audited cash flow information , as at and for years ended March 31, 2017, 2016, 2015, 2014, & 2013 together with the annexure and notes thereto as disclosed in chapter titled “ <b>Financial Information of the Company</b> ” beginning on page 171 of this Prospectus  |
| Restated Standalone Financial Statements  | The standalone financial statements of our Company’s assets and liabilities as at March 31, 2017, 2016, 2015, 2014 & 2013 and the standalone statements of profit and loss and cash flows for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto |
| RoC/ Registrar of Companies   | Registrar of Companies, Uttar Pradesh, Kanpur   |
| SEBI  | Securities and Exchange Board of India constituted under the SEBI Act, 1992.  |
| SEBI Act  | Securities and Exchange Board of India Act, 1992, as amended from time to time.   |
| SEBI (ICDR) Regulations /ICDR Regulation/ Regulation                                    | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.  |
| SEBI Takeover Regulations or SEBI (SAST) Regulations                                    | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.  |
| SEBI (Venture Capital) Regulations  | Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.  |
| SEBI Insider Trading Regulations  | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.   |
| SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR) | The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.   |
| Subsidiary/Subsidiaries   | Share India Finvest Private Limited and Share India Securities (IFSC) Private Limited are subsidiaries of our Company. For details of our Subsidiaries, Please refer section titled “ <b>Our Subsidiary and Associate Company</b> ” beginning on page 166 of this Prospectus.   |
| Selling Shareholder   | Parveen Gupta, Rajesh Kumar Gupta, Rekha Gupta, Yashpal Gupta, Sachin Gupta and Tripti Gupta  |
| SICA  | Sick Industrial Companies (Special Provisions) Act, 1985.   |
| Stakeholder’s Relationship Committee  | Stakeholder’s relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013   |
| Stock Exchange  | Unless the context requires otherwise, refers to, National Stock Exchange of India Limited  |
| Sub- Account  | Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.   |
| Subscriber to MOA   | Initial Subscribers to MOA & AOA being Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mrs. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat.   |

### Issue Related Terms

| Terms                    | Description  |
|--------------------------|--|
| Allotment/Allot/Allotted | Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants. |
| Acknowledgement Slip     | The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.          |
| Allotment Advice         | Note or advice or intimation of Allotment sent to the Applicants who have been   |





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|   | allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges   |
| Allottee (s)                                    | A successful applicant to whom the Equity Shares are allotted.  |
| Applicant/ Investor                             | Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application form.   |
| Application Amount                              | The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Prospectus.   |
| Application Form                                | The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Prospectus.   |
| Application Supported by Block Amount (ASBA)    | An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.<br>Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only. |
| ASBA Account                                    | Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.   |
| ASBA Application Location (s)/ Specified Cities | Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat   |
| Bankers to the Issue                            | Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being HDFC Bank Limited  |
| Banker to the Issue Agreement                   | Agreement dated September 08, 2017 entered into amongst the Company, Selling Shareholders, Lead Manager, the Registrar and the Banker of the Issue.   |
| Basis of Allotment                              | The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 280 of the Prospectus.   |
| Broker Centers                                  | Broker centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.  |
| BSE   | BSE Limited   |
| Business Day                                    | Monday to Friday (except public holidays).  |
| CAN or Confirmation of Allocation Note          | The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.   |
| Client Id                                       | Client Identification Number maintained with one of the Depositories in relation to demat account   |
| Collecting Depository Participants or CDPs      | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI   |
| Controlling Branches of the SCSBs               | Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.   |
| Demographic Details                             | The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.  |
| Depository / Depositories                       | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.   |
| Designated Date                                 | On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Prospectus  |
| Designated SCSB Branches                        | Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> . Recognized-Intermediaries  |



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|  | or at such other website as may be prescribed by SEBI from time to time   |
| Designated CDP Locations                     | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.<br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>   |
| Designated RTA Locations                     | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs.<br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>   |
| Designated Intermediaries/Collecting Agent   | An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)   |
| Designated Market Maker                      | Hem Securities Limited  |
| Designated Stock Exchange                    | BSE Limited (SME Exchange) ("BSE SME")  |
| DP   | Depository Participant  |
| DP ID  | Depository Participant's Identity Number  |
| Draft Prospectus                             | Draft prospectus dated August 18, 2017 issued in accordance with Section 32 of the Companies Act, 2013.   |
| Eligible NRI                                 | A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.   |
| Equity Shares                                | Equity Shares of our Company of face value ₹ 10 each  |
| Electronic Transfer of Funds                 | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.   |
| Eligible QFIs                                | QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.   |
| FII/ Foreign Institutional Investors         | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.   |
| First/ Sole Applicant                        | The Applicant whose name appears first in the Application Form or Revision Form.  |
| Foreign Venture Capital Investors            | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.   |
| FPI / Foreign Portfolio Investor             | A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |
| General Information Document (GID)           | The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.  |
| Issue Agreement                              | The Agreement dated July 28, 2017 between our Company, Selling Shareholder and LM   |
| IPO  | Initial Public Offering.  |
| Issue/Public size/Initial Issue/Issue Public | The Public Issue of 64,32,000 Equity shares of ₹ 10/- each at issue price of ₹ 41.00/- per Equity share, including a premium of ₹ 31.00/- per equity share  |



|   |               |  |
|---|---------------|--|
| Issue/Initial Offer/Initial Offering/ IPO | Public Public | aggregating to ₹ 2637.12 lakhs comprising of a Fresh Issue of 59,32,000 Equity Shares and the Offer for Sale 5,00,000 Equity Shares by Selling Shareholder.  |
| Issue Closing Date                        |               | The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being September 26, 2017  |
| Issue Opening Date                        |               | The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being September 21, 2017   |
| Issue Period                              |               | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.   |
| Issue Price                               |               | The Price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 41.00 per equity share.   |
| Issue Proceeds                            |               | Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 88 of the Prospectus  |
| Listing Agreement                         |               | The Equity Listing Agreement to be signed between our Company and BSE.   |
| LM/Lead Manager                           |               | Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).  |
| Lot Size                                  |               | 3000 Equity Shares   |
| Market Maker                              |               | Member Brokers of BSE who are specifically registered as Market Makers with the BSE Emerge Platform. In our case, Hem Securities Limited is the sole Market Marker   |
| Market Making Agreement                   |               | The Market Making Agreement dated August 24, 2017 between our Company, Lead Manager and Market Maker, Hem Securities Limited.  |
| Market Maker Reservation Portion          |               | The reserved portion of 3,24,000 Equity Shares of ₹ 10 each at an Issue price of Rs. 41.00 each aggregating to Rs. 132.84 Lakh to be subscribed by Market Maker in this issue.   |
| Mutual Funds                              |               | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time   |
| Net Issue                                 |               | The Issue (excluding the Market Maker Reservation Portion) of 61,08,000 equity Shares of ₹ 10 each at a price of Rs. 41.00 per Equity Share (the “Issue Price”), including a share premium of Rs. 31.00 per equity share aggregating to Rs. 2504.28 (In lacs).   |
| Net Proceeds                              |               | The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 88 of this Prospectus.  |
| Non-Institutional Investors               |               | Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹2,00,000/-  |
| Other Investor                            |               | Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.  |
| Overseas Corporate Body/ OCB              |               | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Prospectus                                |               | The prospectus, filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC  |
| Public Issue Account                      |               | Account opened with the Bankers to the Issue to receive monies from the SCSBs  |





|   |   |
|---|---|
|   | from the bank account of the Applicant, on the Designated Date.   |
| Qualified Institutional Buyers/ QIBs        | A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies. |
| Registrar/ Registrar to the Issue/ RTA/ RTI | Registrar to the Issue being Bigshare Services Private limited.   |
| Registrar Agreement                         | The agreement dated July 28, 2017 entered into between our Company, the selling shareholder and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.   |
| Registered Broker                           | Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/markets/Derivatives/DeriReports/membership.aspx">www.bseindia.com/markets/Derivatives/DeriReports/membership.aspx</a>   |
| Regulations                                 | SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.  |
| Reserved Category/ Categories               | Categories of persons eligible for making application under reservation portion.  |
| Reservation Portion                         | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009.  |
| Retail Individual Investors                 | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.   |
| Revision Form                               | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s).   |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.   |
| SEBI SAST / SEBI (SAST) Regulations         | SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended   |
| SEBI Listing Regulations                    | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015  |
| Self Certified Syndicate Bank(s) / SCSB(s)  | Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>  |
| SME Exchange                                | SME Platform of the BSE i.e. BSE SME.   |
| SEBI(PFUTP) Regulations/PFUTP Regulations   | SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003  |
| Share Escrow Agreement                      | The Share Escrow Agreement dated September 08, 2017 between our Company, Selling Shareholders, Lead Manager and Escrow Agent  |
| Transaction Registration Slip/ TRS          | The slip or document issued by the member of the Syndicate or an SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.  |
| Underwriters                                | The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India   |



|                        |   |
|------------------------|---|
|                        | (Underwriters) Regulations, 1993, as amended from time to time.   |
| Underwriting Agreement | The Agreement August 24, 2017 entered between the Underwriters, LM, Selling Shareholders and our Company.   |
| U.S. Securities Act    | U.S. Securities Act of 1933, as amended   |
| Venture Capital Fund   | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.  |
| Working Day            | Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016. |

### Technical and Industry Related Terms

| Term          | Description  |
|---------------|--|
| ANMI          | Association of National Exchanges Members of India |
| AMFI          | Association of Mutual Funds of India               |
| BFSI          | Banking, Financial services and Insurance          |
| Bps           | Basis points                                       |
| CBD           | Central Business District                          |
| CTCL          | Computer to Computer Link Software                 |
| DC            | Data centre  |
| DIPP          | Department of Industrial Policy and Promotion      |
| DR            | Data Recovery                                      |
| EDEs          | Emerging Market and Developing Economies           |
| EMC           | Equity Capital Market                              |
| FDI           | Foreign Direct Investment                          |
| F&O Segment   | Futures and Options Segment                        |
| IBT           | Internet Based Trading                             |
| IMF           | International Monetary Fund                        |
| IP Address    | Internet Protocol Address                          |
| IRDA          | Insurance Regulatory and Development Authority     |
| IT            | Information Technology                             |
| ITORS trading | Supplemental trading member-client agreement       |
| MCX           | Multi Commodities Exchange of India Limited        |
| MCX-SX/ MSE   | Metropolitan Stock Exchange of India Limited       |
| MNCs          | Multinational Corporations                         |
| mn sq. ft     | million square feet                                |
| MPR           | Monetary Policy Report                             |
| MoUs          | Memorandum of Understanding                        |
| NBFC          | Non-Banking Financial Companies                    |
| NCDEX         | National Commodity & Derivatives Exchange Limited  |
| NCR           | National Capital Region                            |
| NIR           | NSDL National Insurance Repository                 |
| NRIs          | Non Resident Indians                               |
| NPS           | National Pension Scheme                            |
| PE            | Private Equity                                     |
| PFRDA         | Pension Fund Regulatory and Development Authority  |
| PPP           | Public-Private-Partnership                         |
| PoP           | Point of Presence                                  |
| ROCE          | Return of Capital Employed                         |
| SAN           | Storage Area Network                               |
| SEBI          | Securities and Exchange Board of India             |
| SEZs          | Special Economic Zone                              |
| VM            | Virtual Machine                                    |



|      |                              |
|------|------------------------------|
| VPN  | Virtual Private Network      |
| VSAT | Very Small Aperture Terminal |

### ABBREVIATIONS

| Abbreviation                 | Full Form   |
|------------------------------|---|
| A/c                          | Account   |
| ACS                          | Associate Company Secretary   |
| AGM                          | Annual General Meeting  |
| Arbitration Act              | Arbitration and Conciliation Act, 1996  |
| AS                           | Accounting Standards as issued by the Institute of Chartered Accountants of India   |
| ASBA                         | Applications Supported by Blocked Amount  |
| AY                           | Assessment Year   |
| BSE                          | BSE Limited (formerly known as Bombay Stock Exchange Limited)   |
| CAD                          | Current Account Deficit   |
| CAGR                         | Compounded Annual Growth Rate   |
| CDSL                         | Central Depository Services (India) Limited   |
| CFO                          | Chief Financial Officer   |
| CIN                          | Company Identification Number   |
| CIT                          | Commissioner of Income Tax  |
| C.P.C.                       | Code of Civil Procedure, 1908   |
| DIN                          | Director Identification Number  |
| DP                           | Depository Participant  |
| ECS                          | Electronic Clearing System  |
| ESI Act                      | Employees State Insurance Act, 1948   |
| EOGM                         | Extraordinary General Meeting   |
| EMDEs                        | Emerging Market and Developing Economies  |
| FDI                          | Foreign Direct Investment   |
| FEMA                         | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under   |
| FIIs                         | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FIPB                         | Foreign Investment Promotion Board  |
| FY / Fiscal / Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated   |
| GDP                          | Gross Domestic Product  |
| GoI/Government               | Government of India   |
| HUF                          | Hindu Undivided Family  |
| I.T. Act                     | Income-tax Act, 1961, as amended from time to time  |
| ICSI                         | Institute of Company Secretaries Of India   |
| IFRS                         | International Financial Reporting Standards   |
| IPO                          | Initial Public Offering   |
| ISIN                         | International Securities Identification Number  |
| KM / Km / km                 | Kilo Meter  |
| Merchant Banker              | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992  |
| MoF                          | Ministry of Finance, Government of India  |
| MOU                          | Memorandum of Understanding   |
| NA                           | Not Applicable  |
| NAV                          | Net Asset Value   |
| N.I. Act                     | Negotiable Instruments Act, 1881  |
| NRE Account                  | Non Resident External Account   |
| NRIs                         | Non Resident Indians  |
| NRO Account                  | Non Resident Ordinary Account   |
| NSDL                         | National Securities Depository Limited  |



|                            |  |
|----------------------------|--|
| OCB                        | Overseas Corporate Bodies  |
| p.a.                       | per annum  |
| P/E Ratio                  | Price/Earnings Ratio   |
| PAC                        | Persons Acting in Concert  |
| PAN                        | Permanent Account Number   |
| PAT                        | Profit After Tax   |
| PLR                        | Prime Lending Rate   |
| RBI                        | The Reserve Bank of India  |
| ROE                        | Return on Equity   |
| RONW                       | Return on Net Worth  |
| Rs. or ₹                   | Rupees, the official currency of the Republic of India   |
| RTGS                       | Real Time Gross Settlement   |
| SCRA                       | Securities Contract (Regulation) Act, 1956, as amended from time to time   |
| SCRR                       | Securities Contracts (Regulation) Rules, 1957, as amended from time to time  |
| SEBI                       | Securities and Exchange Board of India   |
| SEBI Act                   | Securities and Exchange Board of India Act, 1992   |
| Sec./ S.                   | Section  |
| Securities Act             | U.S. Securities Act of 1933, as amended  |
| STT                        | Securities Transaction Tax   |
| TIN                        | Taxpayers Identification Number  |
| US/United States           | United States of America   |
| USD/ US\$/ \$              | United States Dollar, the official currency of the United States of America  |
| VCF / Venture Capital Fund | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Financial Information of the Company*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.



**CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

**Certain Conventions**

All references in the Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.,” “USA” or “United States” are to the United States of America.

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Share India Securities Limited.”, and “Share India”, and, unless the context otherwise indicates or implies, refers to Share India securities Limited. In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

**Use of Financial Data**

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the financial year ended 31<sup>st</sup> March 2017, 2016, 2015, 2014 and 2013 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “*Financial Information of the Company*” beginning on page 171 of this Prospectus. Our Company has subsidiaries. Accordingly, financial information relating to us is presented on both Standalone basis and consolidated basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 171 of this Prospectus.

For additional definitions used in this Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of Articles of Association*”, on page 319 of the Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

**Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.





In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Issue Price*” on page 95 of the Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

**Currency of Financial Presentation**

All references to “Rupees” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout the Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crore.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” on page 14, 106 and 228 in the Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.



## **FORWARD LOOKING STATEMENTS**

This Prospectus includes certain “forward-looking statements”. We have included statements in the Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Disruption in the stock market in India or Globally.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Disruption in the network connection and Internet services;
7. Recession in the market;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Occurrence of Environmental Problems & Uninsured Losses;
11. Our ability to successfully implement our growth strategy and expansion plans;
12. Our ability to meet our capital expenditure requirements;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
16. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
17. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
18. Conflicts of interest with affiliated companies, the promoter group and other related parties;
19. The performance of the financial markets in India and globally;
20. Any adverse outcome in the legal proceedings in which we are involved;
21. Our ability to expand our geographical area of operation;
22. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”; “**Our Business**”& and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 14, 106 and 228 respectively of the Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, our Directors, Selling Shareholders, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, Selling Shareholder and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



## **SECTION II: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 171, 106 and 228 respectively of this Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

### **Materiality**

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

### **Note:**

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 14 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 228 of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Audited Financial Statements, as restated**” prepared in accordance with the Indian Accounting Standards

1. **Our Company has been issued a show cause notice by SEBI, in relation to SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 2003 and in pursuance of which adjudication has been instituted by SEBI. Further, we have received warning from Disciplinary Committee of NSE in pursuance of matter of use of fallback server by us in a one off instance in 2012.**

Our Company has received a show cause notice from SEBI in relating to violation of regulation 3(a) to (d), 4 (1) & 4 (2) (a) and 4(2) (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 2003 and clause A (3), A (4) and A (5) of the Code of Conduct under Schedule II read with regulation 7 of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992, in pursuance of which adjudication has been instituted by SEBI in April, 2017 in respect of self-sale of United Spirits Limited. The



proceedings and hearings in the matter is being concluded and the matter was posted for final order on April 28, 2017. Any adverse ruling and findings, against us may constrain our financial strength and it shall need us may constrain us to make provisions in our financial statements which may have an adverse impact on our business, goodwill, result of operations and financial condition.

Also, our company has received warning from NSE vide its letter dated September 4, 2017 regarding non compliance with the direction issued by exchange with regards to connection with the fallback servers of the exchange and have been directed by the Disciplinary Action Committee of the Stock exchange to adhere to the directions of Exchange in matter related to operations on Stock Exchange Platform.

Further, Share India Securities Limited in the normal course of broking and depository service may receive show cause notice/client complaints/grievances/ exchange references etc from time to time. In the event of any adverse order being passed against the company it could have an adverse affect on our reputation, financial and business operations.

For further details, please refer to section titled “*Outstanding litigations and Material Development*” beginning on page no 241 of the Prospectus.

2. *There are certain outstanding legal processing involving our Company, Promoter and Director. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, result of ongoing operations and reputation.*

Our Company its promoter and Director are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled “*Outstanding Litigation and Material Developments*” at page no 241 of this Prospectus. A brief detail of such outstanding litigations as on the date of this Prospectus are as follows:

**Matters involving Our Company:-**

| Nature of Cases     | No. of Outstanding Matters | Amount Involved (in Rs. Lacs) |
|---------------------|----------------------------|-------------------------------|
| Regulatory actions  | 1                          | Not ascertainable             |
| Tax Related Matters | 2                          | 8.96                          |
| Labour Laws         | 1                          | Not ascertainable             |
| Criminal case       | 3                          | 115.73                        |
| Others              | 1                          | 15.62                         |

**Matters involving Our Promoter:-**

| Nature of Cases | No of Outstanding Cases | Amount involved (In Lacs) |
|-----------------|-------------------------|---------------------------|
| Criminal Case   | 5                       | 197.95                    |

**Matters involving Our Group Companies:-**

| Nature of Cases | No of Outstanding Cases | Amount involved (In Lacs) |
|-----------------|-------------------------|---------------------------|
| Criminal Case   | 10                      | 169.13                    |

*\*Amount mention to the extent quantifiable. The amounts may be subject to additional interest/other charges being levied by the concerned authorities which is unascertainable as on the date of this Prospectus*

Any developments in the proceedings, against us, our Director and/ or our Promoter may constrain us to make provisions in our financial statements which may have an adverse impact on our business, goodwill, result of operations and financial condition.

3. *Our Company requires several statutory and regulatory permits, licenses and approvals for our business. Our inability to obtain, renew or maintain these licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.*

We require statutory and regulatory permits, licenses and approvals to operate our business. At present we are yet to apply for the registration under Shop and Commercial Establishments Law, Trade License under the Municipal Law of the cities, State Tax on Professions, Trades and Employment for the registered office, corporate office and branches of the company. Further, our Company is yet to apply for the GST registration for the Branch office of our Company located at Jaipur, Kandivali Mumbai and Ghaziabad. Also we are in the process of applying with SEBI for the registration as Portfolio Manager. Except as stated above, we believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However there is



no assurance that there are no other statutory/regulatory requirements which we are required to comply with.

Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Also, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied by us. Any default by our Company in complying with the same, may result in interalia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

**4. Our Company has several Contingent Liability and Commitments which if materialize could affect our financial position.**

As on March 31<sup>st</sup>, 2017 we had Contingent Liability of Rs. 3088.96 Lakhs which has not been provided in our financial statements and which could affect our financial position. Details of Contingent Liabilities and commitments are as follows:-

| Particulars                                     | Amount (in Rs. Lakhs) |
|---|-----------------------|
| <b>Contingent Liabilities:</b>                  |                       |
| Bank Guarantee issued to third parties by banks | 3080.00               |
| Other Claims against the company under appeal   | 8.96                  |
| <b>TOTAL</b>                                    | <b>3088.96</b>        |

For further details on the same please refer “Annexure U” under section “Financial Information of the Company” and chapter titled “Outstanding Litigations and Material Developments” beginning on page no 197 and 241 of this Prospectus.

**5. Our company has in the past been subject to certain statutory penal action as well as compounding penalties.**

Our company has been in the past subject to certain penalties imposed under various order aggregating to total of Rs. 8,75,000 upon us under section 15I, Section 15F, Section 15HA and Section 15HB of the SEBI Act. Further, our company has in the past also received deficiency letter from SEBI with respect to the inspection of books and records of our Company. Also certain deficiencies or mistakes committed by the Company were admitted by the management and hence certain compounding orders have been passed and relevant payments amounting to Rs. 4,00,000 as prescribed in those orders by SEBI have been paid by us. Moreover, in the past our company has been directed by the regulatory authorities be careful and cautious in the conduct of its stock broking activity and to adhere to and comply with all the statutory provisions while carrying out its activities in the securities market. Future instances of material monetary or non monetary penalties against our company or our promoter could adversely affect our financial conditions and goodwill. For further details on the same please refer section “History and other Corporate Matters” beginning on page no 128 of this Prospectus.

**6. Some of the trademarks applied by us are currently not registered in the name of our Company. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.**

Our company had made an application for the registration of its trademark “Share India” under class 36 the status of which is currently ‘objected’. Thus, we cannot guarantee that the application for registration of our trademark made by us will be allowed. In case we are unable to obtain the registration for the said trademark in our name we do not enjoy any statutory protection under the Trade Marks Act, 1999 for the aforesaid trademark which is important to retain our brand image. Further, even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

For further details of our pending approvals, please see section Intellectual Property under chapter “Government and Other Approvals” beginning on page 250 of this Prospectus.

**7. Our net cash flows from operating, investing and financing activities have been negative in past years. Any negative cash flow in the future may affect our liquidity and financial condition.**





Our cash flow from our operating, investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last five financial years based on standalone restated financial statements are:-

| Particulars                                    | For the year ended (in ₹ Lakhs) |            |            |            |            |
|--|---------------------------------|------------|------------|------------|------------|
|  | 31.03.2017                      | 31.03.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 |
| <b>Net cash flow from Operating activities</b> | (619.83)                        | 1,019.07   | 711.26     | 375.90     | 949.46     |
| <b>Net cash flow from Investing activities</b> | (377.25)                        | (209.96)   | (185.01)   | (35.24)    | 84.07      |
| <b>Net cash flow from Financing activities</b> | 982.38                          | 307.19     | 819.71     | 192.27     | (1,320.13) |

For details, please see the chapter titled “*Financial Information of Our Company*” on page 171 of this prospectus. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

**8. We are subject to extensive securities regulation and any failure to comply with these regulations could subject us to penalties or sanctions**

The industry segments in which we operate viz; Capital Market Services (including dealing in Stocks, shares, derivatives, Mutual Funds and IPO's for our clients and proprietary trading) which is subject to extensive regulation by the SEBI, the RBI, and other governmental regulatory authorities. We are also regulated by stock exchanges and other intermediaries, including the BSE, NSE, and CDSL. The regulatory environment in which we operate is also subject to change and we may be adversely affected as a result of new or revised legislation or regulations imposed by the SEBI and other governmental regulatory authorities. If we are found to have violated an applicable regulation, administrative or judicial proceedings may be initiated against us that may result in fines, trading bans, deregistration or suspension of our business licenses, the suspension or disqualification of our officers or employees, or other adverse consequences. We could also be subject to constraints or conditions on operating our business activities and may incur fines, receive regulatory cautions or show cause notices and be barred from engaging in certain business activities. The imposition of any of these or other penalties or restrictions could have a material adverse effect on our business, reputation, financial condition and results of operations.

**9. Our company has not complied with some statutory provisions of the Companies Act. Such non-compliance may attract penalties against our company.**

Our Company has not complied with certain statutory provisions under the Companies Act 1956 /2013, for instance our Company in the past has provided remuneration to Non-executive Directors, remuneration to relatives of Director in excess of limits specified under section 188 of Companies Act 2013 and also the remuneration paid to the director of the Company have been above the limits specified under Section 197/ Section 198 read with the relevant schedules of the Companies Act 2013/1956. However as on date the company has passed necessary resolution for determination of the remuneration of Directors. Our Company has in the past provided and accepted loans from Companies in which our directors were interested. Further the provisions of CSR are applicable on our Company but the company has not yet identified any avenue for the CSR expenditure to be made by the company.

Additionally our Company has not properly complied with some Accounting Standard in the past for instance, Accounting Standards 15. However, now the Company has made necessary provision for gratuity and has also made necessary compliance in accordance with the Accounting Standards in the re-stated financial statements of the Company. For further details on the same please refer section “*Financial Information of the Company*” beginning on page no 171 of this Prospectus.

**10. There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 1956/2013. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.**

There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent. Our Company has also made some clerical mistakes in documents and form filed in registrar of Companies, for instance, Annual Returns filed by our Company in past years, has some errors inadvertently made by Company



in disclosure in respect of share transfers, error in presenting right entitlement ratio and calculation of right issue made during the year January 2015. Further, our Company has not complied with the provisions of Section 129(3) of the Companies Act, 2013 in relation to filing of the Consolidated Financial Statements with the Registrar of Companies. Also there are some cases where forms have been filed belatedly in Registrar of Companies for which requisite delayed fees was paid by the Company. The imposition of any penalty or restrictions could have an adverse effect on our business, reputation, financial condition and results of operations.

***11. Some of our corporate records including share transfer deeds and forms filed with Registrar of Companies not traceable.***

Our Company is unable to trace certain corporate and other documents in relation to our company including the forms filed with Registrar of Companies prior to the year 2006. This may be due to change in registered office of the company, change in methods of record keeping on account of technological advancement and computerization. Over the years, certain forms filed with ROC prior to the year 2006 like Return of Allotment, Registration of charges and modification of charges, transfer deeds, annual return etc. could not be traced by our company. Further, online filing of Roc Documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence certain of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Our Company has carried out the limited purpose search for the physical copies of the untraceable forms at the RoC office but the forms are not available at the office of Registrar of Companies as well. Also, we are unable to trace share transfer deeds in records of the company. As such under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the company are correct. Also, our Company may not be in the position to attend to and / or respond appropriately to any legal matter due to lack of lost/ destroyed records and to that extend the same could affect our business operations, goodwill and profitability.

***12. Our Statutory Auditors have provided Disclaimer of Opinion with respect to the Internal Financial Controls over the Financial Reporting for the year ended March 31, 2016.***

Our Statutory Auditors T. K. Gupta & Associates, Chartered Accountants, have provided disclaimer of opinion on the Internal Financial Controls over the Financial Reporting for the year ended on March 31, 2016. The auditors have mention that “we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company has adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016”. Although for the financial year ended on March 31, 2017 the auditor has given clean report for the same. The consequential effect of the above on assets and liabilities as at March 31, 2016 and on profit or loss for the year ended 31st March, 2016 is not ascertainable. The financial impact of the said qualifications is not quantifiable.

***13. We have not entered into any definitive agreements to utilize a portion of the Net Proceeds. Any failure to enter into arrangements on favourable terms and conditions, in a timely manner or at all, may have an adverse affect on our business and financial results.***

We intend to use a portion of the Net Proceeds for expenditure on establishment of a Branch of our Company. For further details regarding such utilization, please see the chapter titled “*Objects of the Issue*” beginning on page 88 of this Prospectus. We have presently not identified the location of the Branch nor entered into any definitive agreements for establishment of such Branch. There can be no assurance that we will be able to conclude definitive agreements for such expenditures on terms anticipated by us. Further, we have estimated the cost on the basis of our internal management estimates and other publically available data. Any failure to enter into utilization arrangements on favourable terms and conditions in a timely manner or at all may have an adverse affect on our business and our financial results.

***14. Significant security breaches in our computer systems and network infrastructure, fraud, systems failures and calamities would adversely impact our business.***

We are required to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased internet connectivity. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. These concerns will intensify with our increased dependence on technology. We employ security systems, including firewalls and password encryption, designed to minimise the risk of security breaches but there can be no assurance that these security measures will be successful. Breaches of our



security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A significant failure in security measures could have a material adverse effect on our business and our future financial performance.

***15. Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.***

Our revenues, level of operations and, consequently, our profitability are dependent on favourable capital market conditions, regulatory and political environment, investor sentiment, price levels of securities and other factors that affect the volume of stock trading in India and the level of interest in Indian business developments. In recent years, the Indian and world securities markets have fluctuated considerably and a downturn in these markets could adversely affect our operating results. Further our company is also engaged in proprietary trading and any downward price movement in the stock market could have an adverse affect on our business and profitability. When markets are highly volatile, we run the risk of bad debts and losses and also litigation. Revenues are likely to decline during sustained periods of reduced trading volumes and our profit margins may be adversely affected if we are unable to reduce our expenses at the same pace as the decline in revenues. When trading volume is low, our profitability will be adversely affected because our revenues will be reduced and some of our operating costs are fixed. Decreases in equity prices or decreased trading activity could have an adverse effect on our business, financial condition and operating results.

***16. Our company have been acquired by the current promoters and thus the management of our company was changed in year 2000 and hence we have limited knowledge and records of litigations, disputes etc. of the old management.***

Our company was taken over by the Current promoters of our company and their relatives during the year 2000. Share owned by the erstwhile promoters of the company were transferred to the current promoters and their relatives during the year 2000. Our Company has achieved much better operational performance since then and there has not been any new dispute or litigation which has originated after this change in management and which is still outstanding except as disclosed in this Prospectus. However, there may be certain old cases or disputes which were initiated by or against the old management which we may be not aware off. The disclosures in this offer document pertaining to the litigations and legal matters are subject to information readily available from public domains and our management shall not be liable for data which we do not possess due to the change in management.

***17. We have limited experience in the field of Research analyst and Portfolio management services and thus there can be no assurance that we will achieve the desired results from the same.***

Our company is currently engaged in the business of equity broking, investing and trading activities. Along with this we are also providing the services as a Depository Participant, Research Analyst, Mutual Fund Advisor/Distributor and also an application has been filed with Securities and Exchange Board of India for the registration of Company as a Portfolio Manager. Our Company got registered with SEBI as Stock Broker (Member of BSE) in the year 2000 and started the Stock Brokering operations. With a plan to further diversify the operations of the company from share trading and brokering service our company has entered into the Research Analyst and also applied for the registration for Portfolio management services in 2017. Our company as well as its promoters/directors, therefore, has limited experience in Research Analyst and Portfolio management Service, which may increase our vulnerability to various associated risks. We are also subject to business risks and uncertainties associated with any new business enterprise, including the risk that we will not achieve our business objective and that our investment could not give the desired results.

***18. The revenues earned from our investment and trading of securities business have been inconsistent in the past and may continue to be inconsistent due to the very nature of this business which is dependent on the overall volatility in the Capital Markets in India.***

We are engaged in the business of investments and trading in listed / unlisted securities and financial products. Despite our efforts to earn favorable returns on our capital employed in these uncertain and volatile financial markets we cannot assure that we will be able to anticipate or predict the move of the Stock market. We propose to continue to invest in this vertical and depending on the overall period to period overall volatility in the Capital Markets in India our future revenues from this vertical could be volatile and inconsistent.

***19. Credit risk exposes us to losses caused by financial or other problems experienced by third parties.***



We are exposed to the risk that third parties that owe us money, securities or other assets will not perform their obligations. We particularly are exposed to risk attributable to our customers, counterparties, clearing agents, exchanges, clearing houses, and other financial intermediaries as well as issuers whose securities we hold. These parties may default on their obligations owed to us due to insolvency, lack of liquidity, operational failure, government or other regulatory interventions or other reasons. Significant failures by third parties to perform their obligations owed to us in a timely manner or at all could materially and adversely affect our revenues, business, financial conditions and results of operations.

***20. We have not made any provisions for decline in value of our investments.***

We have made certain investments the value of such stock may initially decline and after a certain period move back over and above its original acquisition price depending on market and other forces. Hence, we may hold investments on our books which are valued below their book values, but we do not make provisions for the decline in value of these assets and instead book profits or losses on investments only upon final sale of these assets and realization of sale proceeds. As on March 31, 2017, the value of our investment stood at ₹ 2980.17 lacs which includes the value of the investment in Subsidiary company, associate company, current investment and investment lying under Stock in trade. If, we are unable to realize cost value and we liquidate investments at a price below its cost value, we may incur a substantial loss in a particular period and hence may affect our share prices as well as financial conditions.

***21. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.***

Our Company has entered into various transactions with our Directors, Promoter, Promoter Group and Subsidiary Companies. These transactions, inter-alia includes issue of shares, remuneration, rent payments, loans and advances, etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, our company belief that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse affect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to "***Annexure R***" on "Related Party Transactions" of the Auditor's Report under Section titled "***Financial Information of the Company***" and Chapter titled "***Capital Structure***" beginning on page 194 and 57 respectively of this Prospectus.

***22. Excessive reliance on our information technology systems and their failure could harm our relationship with customers, expose us to lawsuits or administrative sanctions or otherwise adversely affect our provision of service to customers and our internal operations***

As part of our business strategy, we use our information systems and the Internet to deliver services to and perform transactions on behalf of our customers. We have in the past not experienced disruptions of service to customers, but there can be no assurance that we will not encounter disruptions in the future due to substantially increased numbers of customers and transactions or for other reasons. If we experience system interruptions, errors or downtime which could result from a variety of causes, including changes in technological failure, changes to systems, linkages with third-party systems and power failures or are unable to develop necessary technology, our business, prospects, financial condition and results of operations could be materially adversely affected.

Our hardware and software are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as Internet service providers. We may encounter delays or other difficulties incorporating new services and businesses into our information technology systems and there can be no assurance that we will realize the efficiencies and other benefits we anticipate from doing so.

***23. In case our services to the clients are not satisfactory it may cause damage to our professional reputation and legal liability.***



We are into service industry and our business is dependent mainly on how we maintain our relationship with our existing clients who helps to retain existing clients and to attract the existing ones. Hence an unsatisfied client may be more damaging in our business than in other businesses. Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties. In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against financial intermediaries have been increasing due to strict regulations and investor awareness. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Hence, we may incur significant legal expenses in defending against litigation. Substantial legal liability or significant regulatory action against us could have material financial effects on our Company or could even cause significant harm to our reputation, which could harm our business prospects.

***24. We do not own the Registered Office, corporate office and few of the premises from where we are currently operating and the same has been taken on lease. Any failure on our part to meet the terms of those lease agreements, arrangements could affect our operations.***

We do not own the registered office of our Company situated at 6th Milestone, New Bhai-Chara Complex, opp Mata Mandir, Chikambarpur UP Border Sahibabad Uttar Pradesh - 201006 and the same is on lease for a period of 11 months i.e. from July 01, 2017 to May 31, 2018. Apart from the registered office, our Company operates through our corporate office and the Branched which have been taken on lease basis. If any of the owners of these leased/license/ arranged premises do not renew the agreements/ arrangements under which we occupy the premises, we may suffer a disruption in our operations and might have to relocate. For further details, please see the section “Our Business” beginning on page no 106 of the Prospectus. We have been operating through the present registered office for a period of time and the lease for the same have been renewed periodically. Further, we do not foresee any problem in renewing the same. Also, we are sharing the registered office of our Company with our Associate Company namely “Share India Commodity Brokers Private Limited. In case there is any disturbance for the use of the said property between our company and our associate company could have an adverse affect on our business operations.

***25. Our Company has during the preceding one year from the date of the Prospectus have allotted Equity Shares at a price which may be lower than the Issue Price.***

In the last 12 months, we have made allotments of Equity Shares to the promoters and their relatives details of which are as follows:-

- Bonus issue in the ratio of 3:1 dated July 22, 2017 issued 1,38,69,441 Equity shares face value ₹10/- per Equity Share for consideration other than cash.

The Equity Shares allotted to investors pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For Further details of equity shares issued, please refer to the chapter titled “*Capital Structure*” and “*Basis for Issue Price*” beginning on page 57 and 95 of this Prospectus

***26. We often extend credit to our clients for dealing in securities and any default by a client or any downturn in the market could result in substantial losses.***

We allow some of our clients to trade in the stock market and take position on particular stocks by depositing only upfront margin amount. The client is then required to pay/ deposit with us the balance amount, before the pay-in date. In case, the said client is not able to pay the balance amount to us before the pay-in date of the exchange for the said transaction, we, at times extend credit to such clients for the pay-in of the stock exchange. Stock markets are prone to volatility. Hence, in case of highly volatile market or adverse movements in share price, it may be possible that the client may not honour their commitment. Hence, by permitting our customers to purchase securities on margin, we are subject to risks inherent in extending credit, especially during periods of rapidly declining markets in which the value of the collateral held by us could fall below the amount of a customer’s indebtedness. In the event of an occurrence of any unforeseen magnitude our business may have a negative impact due to increase in Bad Debts and simultaneous increase in our losses.

***27. Error in Punching of trade orders***





Some of the orders by our clients are placed over the phone. Thus, we sometimes face the risk of making errors in punching the orders. The entire risk/ loss incurred by our client due to error on our part are to be borne by us. In case of any such event could have an adverse effect on our business operations, profitability and operations.

***28. Our risk management policies and procedures may leave us exposed to unidentified risks or unanticipated levels of risk which could lead to material losses.***

Our risk management techniques and strategies may not be fully effective in mitigating our exposure to risks and may not cover risks that we fail to identify or anticipate. Some methods of risk management are based on the use of observed historical market behavior. We apply statistical and other tools to these observations to arrive at quantifications of our risk exposures. These tools and metrics may fail to predict future risk exposures. Our losses could therefore be significantly greater than those which the historical measures indicate. Our more qualitative approach to managing those risks could prove insufficient, exposing us to material unanticipated losses. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by us. This information may not be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. We cannot assure you that our policies and procedures will effectively and accurately record and verify this information. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and legal reporting systems. Nonetheless, the effectiveness of our ability to manage risk exposure cannot be completely or accurately predicted or fully assured. For example, unexpectedly large or rapid movements or disruptions in one or more markets or other unforeseen developments could have a material adverse effect on our results of operations and financial condition. The consequences of these developments could include losses due to adverse changes in inventory values, decreases in the liquidity of trading positions, higher volatility in systemic risk.

***29. Risks associated with our branches, sub-brokers and authorized person.***

We face several risks associated with our branches, sub-brokers and authorized person, including whether they have the experience and financial resources to be effective operators and remain aligned with us on operating, promotional and capital-intensive initiatives, especially during periods of underperformance, and the potential impact on us if they experience other operational problems or project a image inconsistent with our values, particularly if our contractual and other rights and remedies are limited, costly to exercise or subject to litigation.

***30. We depend on third party vendors and service providers.***

We rely on third parties for some of our technological infrastructure that support our capital market businesses. Failure to continue to access these third party technologies on commercially acceptable terms could limit our ability to offer competitive service offerings and adversely impact our future operating results. We also rely on several local service providers for delivering our services and any failure to continue these arrangements on commercially acceptable terms could adversely impact our future operating results.

***31. Our operations are significantly located in the northern India region any failure to expand our operations may restrict our growth and adversely affect our business***

Currently, we are carrying our business mainly in the northern India region and hence our major revenues are generated from operations in these regions only. In the event that demand for equity trading activities in general reduces or stops by any reason including political discord or instability or change in policies of State, then our financial condition and operating results may be materially and adversely affected. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating regions could impact our future revenues.

***32. Our inability to manage growth could disrupt our business and reduce our profitability.***

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our new business streams. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the



challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**33. Major fraud, lapses of internal control or failures on part of the employees could adversely impact the company's business.**

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

**34. We face intense competition in our businesses, which may limit our growth and prospects.**

Our Company faces significant competition from other stock brokers. In particular, we compete with other Indian and foreign brokerage houses operating in the markets in which we are present. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

**35. We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations**

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2017, our total outstanding indebtedness was ₹ 2042.95 Lakhs. Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

The above Loan amount includes an unsecured loan from our Group Company namely Windpipe Finvest Private Limited the outstanding amount of which as on March 31, 2017 is ₹ 1037.83 Lacs. If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see "**Statement of Financial Indebtedness**" on page 226 of this Prospectus.

**36. Loans availed by our Company have been secured on personal guarantees of our Promoter and Promoter Group members. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees or securities of the collateral provided by our Promoter and Promoter Group members.**

Our Promoter and Promoter Group Members has provided personal guarantees and provided their personal property as security to secure a significant portion of our existing borrowings taken from HDFC Bank Limited



and ICICI Bank Limited, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Promoter Group Members may be invoked and/ or the security may also be enforced, which could negatively impact the reputation and networth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group Members may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page no 226 of this Prospectus.

**37. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.**

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoter. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “*Our Management*” on page 136 of this Prospectus.

**38. Our Subsidiary Company have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group companies.**

The details of profit and loss of our Subsidiary Company in past years are as follows:-

| Name of the Group Company           | Profit/ (Loss) for the year ended (Amount in Lacs) |                             |                             |
|-------------------------------------|--|-----------------------------|-----------------------------|
|                                     | 31 <sup>st</sup> March 2016                        | 31 <sup>st</sup> March 2015 | 31 <sup>st</sup> March 2014 |
| Share India Finvest Private Limited | (3.23)   | -                           | -                           |
| Share India (IFSC) Private Limited  | (8.92)   | -                           | -                           |

Any operating losses could adversely affect the overall operations of the group and financial conditions. For more information, regarding the Company, please refer chapter titled “*Our Subsidiary & Associate Company*” beginning on page 166 of this Prospectus.

**39. Conflicts of interest may arise out of common business objects between our Company and Group Companies.**

Conflicts may arise in the ordinary course of decision-making by the Promoters or Board of Directors. Our Promoters have interests in other companies such as Skyveil Trade Solutions LLP, Share India Securities (IFSC) Private Limited, Share India Commodity Brokers Private Limited that undertake business similar to the business as our Company. Conflicts of interests may arise in the Promoters’ allocating or addressing business opportunities and strategies among our Company and Group Companies in circumstances where our respective interests diverge. In cases of conflict, there can be no assurance that our Promoters will not favour their own interests over those of our Company. Our Promoters have not signed any non-compete agreement with our Company as of date. Any such present and future conflicts could have an effect on our business, reputation, financial condition and results of operations. For further details, please refer section titled “*Our Promoter and Promoter Group*” beginning on page 152 of this Prospectus.

**40. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.**

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, not to issue any personal guarantee by the guarantors etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our



borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 226 of the Prospectus.

***41. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in business of trading, investing activities as stock brokers, advisors in capital market and related services being part of the service sector industry which attracts tax liability such as Goods and Service Tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund and ESI. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

***42. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

Our company has obtained insurance coverage in respect of certain risks. Our insurance coverage consists of Standard fire and special perils, vehicle insurance, stock broker’s indemnity policy and Office & Professional Establishment Protector Policy. We believe that the insurance coverage maintained by us is adequate and consistent with the size of our business except for that our Company has not taken insurance for the risk cover for machinery/equipment breakdown, fire insurance (except for 2 branches), cash in transit insurance and Fidelity Guarantee insurance for its branches. However, there is no assurance that the insurance policy taken by us will be adequate for us to cover the losses. If we suffer any uninsured loss or if claim made by us in respect of an insurance is not accepted or any loss occurred by us is in excess of the insurance coverage may adversely affect our operation, results and financials.

***43. We will not receive any proceeds from the sales sold under the Offer for sale by Selling Shareholder.***

This Issue includes an Offer for Sale of 5,00,000 Equity Shares by the Selling Shareholder and a Fresh Issue of 59,32,000 shares. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholder and our company will not receive any proceeds from such Offer for Sale. For further details, refer to the Section titled *Objects of the Issue* on page 88 of the Prospectus.

***44. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section titled *Dividend Policy* on page 170 of the Prospectus.

***45. We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”.***

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings.



For further details of our working capital requirement, Please refer chapter titled “*Object for the Issue*” beginning on page 88 of this Prospectus.

***46. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

***47. Our company has not carried out any independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate or the assumptions we have taken prove to be not correct, we may be required to raise additional debt on terms that may not be totally favorable to us.***

Our working capital requirements have been assessed based on the management’s estimates and the same have not been independently appraised or evaluated by any bank or financial institution. Further, the estimates of our working capital requirement are totally based on the experience of our management and Promoters. We cannot assure that these estimates may be accurate. If these estimates prove to be wrong, we may be required to raise additional debt, on terms that may not be totally favorable to our Company, which may in turn adversely affect our profitability.

For further details please refer Chapter titled “*Objects of the Issue*” on page 88 of Prospectus

***48. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the Offer, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoters along with the promoter group will continue to hold collectively 72.70 % of the equity share capital of the company. As a result of the same they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

***49. Increased competition for skilled employees and salary increases for our employees may reduce our profit margin.***

Due to sustained economic growth in India and increased competition for skilled employees in India over the last few years, wages of skilled employees are increasing at a fast rate. Accordingly, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the quality of employees that our business requires. Salary increases may reduce our profit margins and have a material and adverse effect on our results of operations.

***50. Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled “*Capital Structure*” beginning on page 57 of the Prospectus. Any future issuance or sale of the equity shares of our





Company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

***51. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price.***

The Issue Price of our Equity Shares has been determined by Fixed Price method. The price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “*Basis for Issue Price*” beginning on page 95 of the Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

***52. Certain data mentioned in this Prospectus has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

***53. Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Offer Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant’s ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**External Risk Factors**

***54. Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business.***

India’s sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, which are outside our control. Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

***55. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.



**56. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**57. *Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**58. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between non residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**59. *If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**60. *Political, economic and social changes in India could adversely affect our business.***

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**Prominent Notes:**

1. Public Issue Of 64,32,000 Equity Shares of Face Value of ₹ 10/- each of Share India Securities Limited ("SISL" or "Our Company" or "The Issuer") for cash at a Price of ₹ 41.00 Per Equity Share (Including a Share Premium of ₹ 31.00 per Equity Share) ("Issue Price") aggregating to ₹ 2637.12 Lacs, of which 3,24,000 Equity Shares of Face Value of ₹10/- each at a price of ₹ 41.00 aggregating to ₹ 132.84 Lacs will



be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of 61,08,000 Equity Shares of Face Value of ₹ 10/- each at a price of ₹ 41.00 aggregating to ₹ 2504.28 Lacs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute 26.33 % and 25.01 % respectively of the Post Issue paid up Equity Share Capital of Our Company.

2. This Issue is being made for at least 25 % of the post issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to other than retail individual investors;
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

3. The Net worth of our Company as on March 31<sup>st</sup>, 2017, March 31<sup>st</sup>, 2016 and March 31<sup>st</sup>, 2015 was ₹ 33.04 crores, ₹ 24.90 crores and ₹ 17.39 crores respectively. For more information, see the section titled “**Financial Information of our Company**” beginning on page 171 of this Prospectus.
4. The NAV or the Book Value per Equity Share based on Restated Financials of our Company as on March 31<sup>st</sup>, 2017, March 31<sup>st</sup>, 2016 and March 31<sup>st</sup> 2015 was ₹ 71.47, ₹ 53.87 and ₹ 40.97 per equity share respectively. For more information, see the section titled “**Financial Information of our Company**” beginning on page 171 of this Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoter is set out below:

| S. No. | Name of the Promoter | No. of Shares held | Average Cost of Acquisition per Share (In Rs.) |
|--------|----------------------|--------------------|--|
| 1      | Mr. Rajesh Gupta     | 19,86,068          | 3.85   |
| 2      | Mr. Sachin Gupta     | 11,63,200          | 2.53   |
| 3      | Mr. Yash Pal Gupta   | 15,70,600          | 2.66   |
| 4      | Mr. Parveen Gupta    | 18,33 ,200         | 3.42   |

6. We have entered into various related party transactions with related parties including our Promoter Group and Group Companies for the period ended March 31<sup>st</sup> 2017 & March 31<sup>st</sup>, 2016. For nature of transactions and other details as regard to related party transactions section titled “**Financial Statements - Annexure R - Statement of Related Parties Transactions**” on page 194 of this Prospectus.
7. No Group Company have any business or other interest in our Company, except as stated in section titled “**Financial Statements - Annexure R - Statement of Related Parties Transactions**” on page 194 and “**Our Promoter and Promoter Group**” and “**Our Group Companies**” on page 152 and 159 respectively and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was originally incorporated on July 12, 1994 as “FMS Securities Limited” vide Registration no. 02-04175 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong and received Certificate for Commencement of Business on July 20, 1994. Further the Registered Office of the Company was changed to National Capital Territory of Delhi & Haryana from State of Assam and fresh certificate for change in registered office was issued by Registrar of Companies, National Capital Territory of Delhi & Haryana dated December 21, 2000 pursuant to CLB Eastern Region Bench order dated August 09, 2000. In the year 2000, our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the control of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mrs. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat. Later, Pursuant to the scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon’ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited. vide a fresh certificate of Incorporation pursuant to change of name dated July 15, 2010 issued by Registrar of



Companies, National Capital Territory of Delhi and Haryana. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 having CIN U67120UP1994PLC050209 pursuant to Company Law Board, New Delhi Bench order dated April 17, 2012. For details of change in our name and registered office, please refer to Section titled “**History and Certain Corporate Matters**” on page 128 of this Prospectus.

9. None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
10. Our Company, Promoter, Directors, Promoter Group, Group Company have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 95 of this Prospectus.
12. The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 310 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. National Stock Exchange of India Limited. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and to the interest as disclosed in this Prospectus. For further details please see the chapter titled “**Our Management**” beginning at page 136, chapter titled “**Our Promoter and Promoter Group**” and “**Our Group Company**” beginning at page 152 and 159 respectively, and chapter titled “**Financial Information of the Company**” beginning at page 171 of this Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information of the Company**” beginning on page 171 of this Prospectus.
17. Trading in the Equity Shares for all investors shall be in dematerialized form only.
18. No part of the Issue proceeds will be paid as consideration to Promoter, Promoter Group, Directors, Key Managerial Personnel or Group Company except for the proceeds from the sale of sale by the selling shareholders through offer for sale.
19. For information on the changes of the objects clause of the Memorandum of Association of our Company, please refer to the chapter titled “**History and Other Corporate Matters**” beginning on page 128 of this Prospectus.



## **SECTION III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

#### **GLOBAL ECONOMY: RECENT DEVELOPMENTS**

The global economic recovery in 2015-16 remained at an ever slowing and increasingly fragile pace. Recovery in advanced economies was still hampered by the legacies of the global financial crisis, low growth in productivity and unfavourable demographic developments. Major macroeconomic realignments are affecting prospects differentially across countries and regions. These include the slowdown and rebalancing in China; a further decline in commodity prices, especially for oil, with sizable redistributive consequences across sectors and countries; a related slowdown in investment and trade; and declining capital flows to emerging markets and developing economies. The world output was projected to have grown by 3.1 per cent in 2015 (3.4 per cent in 2014) with the advanced economies growing by 1.9 per cent (1.8 per cent in 2014), the emerging market and developing economies (EMDEs) by 4.0 per cent (4.6 per cent in 2014) and the emerging and developing Asia by 6.6 per cent (6.8 per cent in 2014); 2015, thus, marked the fifth consecutive year of declining growth for EMDEs.

In the United States, in spite of overall improvement in labour market conditions, economic growth weakened with weaker external as well as domestic demand and a decline in non-residential investments. The euro area recovered on the back of strengthening domestic demand, while Japan continued to reel from a sharp drop in private consumption. Concerns heightened during 2015 about the unwinding of prior excesses in China as it transitioned to a more balanced growth path, the recession in Brazil and Russia and weaker terms of trade and tighter external financial conditions in many of the oil exporting countries. As per the IMF estimates, in 2015, the United States is projected to have grown by 2.4 per cent (2.4 per cent in 2014), the euro area by 1.6 per cent (0.9 per cent in 2014), Japan by 0.5 per cent (0.0 per cent in 2014), China by 6.9 per cent (7.3 per cent in 2014), while Brazil registered a decline in output of 3.8 per cent (growth of 0.1 per cent in 2014) and Russia too shrunk by 3.7 per cent (growth of 0.7 per cent in 2014).

The sharp fall in commodity prices brought about headline inflation in advanced economies of 0.3 per cent in 2015 (1.4 per cent in 2014), the lowest since the global financial crisis. Lower oil and commodity prices exerted downward pressure on inflation in many EMEs, though inflation rose in some countries like Brazil and Russia due to sizable currency depreciations. On average, inflation hovered at 4.7 per cent in EMDEs in 2015 (4.7 per cent in 2014).

Concerns about lack of policy space in advanced economies to respond to a potential worsening in the outlook, the impact of very low oil prices and the slowdown in China triggered volatility in global financial markets in 2015. The IMF attributed the market turbulence largely to concerns regarding the prospects of the financial sector relating to fears of a persistent softening in global growth and its impact on already weak profitability, unaddressed debt overhang legacies, changes in the regulatory environment in Europe, exposure to the commodity sector and persistently low interest rates.

The policy stance remained very accommodative but with asymmetric shifts. In December 2015, while the US Federal Reserve raised policy rates above the zero lower bound for the first time since 2009 and communicated that any further policy actions will remain data dependent, the European Central Bank (ECB) moved further in following an unconventional monetary policy. The Bank of Japan (BoJ) introduced a negative interest rate on marginal excess reserves in January 2016. Many of the commodity exporting EMDEs raised policy rates in 2015 to rein in currency depreciation and associated changes in inflation and inflation expectations.

*(Source – SEBI Annual Report 2015-16)*

#### **Indian Economy Outlook**

India remains the fastest growing economy in the world - economic fundamentals are strong, and reform momentum continues. GST is on track for implementation in the second quarter of the fiscal year, and is expected to yield substantial growth dividends from higher efficiencies, and raise more revenues in the long term, according to a new World Bank report released today. While, agriculture growth delivered in 2016-2017, the report notes that investment growth remains subdued, partly because of banking sector stress.





The report also highlights the low and falling participation of women in the labor market. For India to achieve higher growth, it needs to create safe, flexible and well-paying jobs for a large number of women who are currently not in the labor market.

The report says the fundamentals of the Indian economy remain strong, with robust economic growth, strong fiscal consolidation, low current account deficit, higher agricultural output, growing FDI, low inflation and higher wages in rural areas. Favorable monsoons boosted agriculture and rural consumption, while urban consumption remained robust and exports rebounded in the third quarter of 2016-2017.

Timely and smooth implementation of landmark reforms such as the GST and a new code to deal with bankruptcies, as well as decisive action to resolve the NPA challenge of public sector banks, is crucial to enhance the economy's potential growth, says the May 2017 edition of the Indian Development Update.

The report notes that India will achieve a major reform of indirect taxes through the GST without increasing the burden on the poor. Given the efficiency and revenue gains that the reform will eventually achieve, the overall impact of the GST on equity and poverty is likely to be positive.

“India remains the fastest growing economy in the world and it will get a big boost from its approach to GST which will - reduce the cost of doing business for firms, reduce logistics costs of moving goods across states, while ensuring no loss in equity,” said Junaid Ahmad, World Bank Country Director in India. “Low female labor force participation, however, remains a serious concern. Higher levels of women participation in the economy can help propel India closer to double digit growth”.

Demonetization has potential to bring positive transformation

India's economy was slowing down in early FY17, until the favorable monsoon started lifting the economy, but the recovery was temporarily disrupted by the government's "demonetization" initiative. On November 8, 2016, the government demonetized (i.e. removed legal tender status from) an estimated 23 billion INR 500 and INR1000 banknotes, corresponding to 86 percent of India's currency in circulation. Demonetization caused an immediate cash crunch, and activity in cash reliant sectors was affected. GDP growth slowed to 7.0 per cent year-on-year (y/y) during the third quarter of 2016-2017 from 7.3 percent in the first quarter.

As a result, a modest slowdown is expected in the GDP growth in FY 2016-2017 to 6.8 percent. According to the Update, growth is expected to recover in FY 2017-2018 to 7.2 percent and is projected to gradually increase to 7.7 percent in FY 2019-2020.

(Source: - <http://www.worldbank.org/en/news/press-release/2017/05/29/india-economic-fundamentals-remain-strong-investment-pick-up-needed-sustained-growth-says-new-world-bank-report>)

## **TRENDS AND OPERATIONS IN THE SECURITIES MARKET**

### **PRIMARY SECURITIES MARKET**

In 2015-16, activity in the primary market showed signs of moderate growth as reflected in resource mobilisation by the corporate sector. A healthy and regulated primary market is vital for maintaining the confidence of issuers, intermediaries and investors. In order to keep pace with the changing economic environment and to address concerns of various market participants, especially issuers and the investing community, regulations governing the primary market have been amended from time to time. Such reviews are intended to facilitate easy capital mobilisation by companies while ensuring adequate investor protection. Streamlining of the public issue process, facilitating capital raising by start-ups, simplifying the procedure of delisting by small companies and SEBI's notification (Listing Obligations and Disclosure Requirements) Regulations, 2015 were some important developments that took place in 2015-16.

During 2015-16, 108 companies accessed the primary market and raised ₹ 58,166 crore through 95 public and 13 rights issues, as against 88 companies which raised ₹ 19,202 crore in 2014-15 through public (70) and rights issues. At 74, the number of IPOs in 2015-16 was higher as compared to 46 in 2014-15. Of the 74 IPOs, 50 have been listed on the SME platform. The amount raised through IPOs in 2015-16 was higher at ₹ 14,815 crore as compared to ₹ 3,039 crore during 2014-15. As in the previous year, there was no FPO in 2015-16. The share of public issues in the total resource mobilisation increased to 84.1 per cent during 2015-16 from 64.8 per cent during 2014-15; while the share of rights issues decreased from 35.2 per cent in 2014-15 to 15.9 per cent in 2015-16. The share of debt issues in total resource mobilisation stood at 58.6 per cent and that of equity issues at





41.4 per cent in 2015-16. The IPO issues that opened in 2015-16 received an overwhelming response from the investors as out of 24 issues that opened during the year, seven were oversubscribed more than 20 times. Three IPOs were oversubscribed 30-40 times, while one IPO was oversubscribed by 70-80 times.

The SME platform of the exchange is intended for small and medium sized companies with high growth potential and post issue paid up capital less than or equal to ₹ 25 crore. In 2015-16, 50 companies were listed on SME platform raising a total amount of ₹ 379 crore as compared to ₹ 278 crore raised through 39 issues in 2014-15, registering an increase of 36.6 per cent in resource mobilisation.

## **SECONDARY SECURITIES MARKET**

During 2015-16, Indian equity markets remained subdued mainly on account of the turmoil in global equity markets in August 2015. During the financial year, the benchmark indices S&P BSE Sensex (henceforth referred to as Sensex) and Nifty 50 (henceforth referred to as Nifty) decreased by 9.4 and 8.9 per cent respectively over March 31, 2015. The Sensex closed at 25,342 on March 31, 2016, registering a decrease of 2,616 points over 27,957 as on March 31, 2015. The Nifty decreased by 753 points to close at 7,738 on March 31, 2016 over 8,491 at the end of March 31, 2015.

The benchmark indices Sensex and Nifty reached their maximum on April 13, 2015, when they touched the highest levels of 29,044 and 8,834 respectively. The lowest level attained by Sensex was 22,952 on February 11, 2016 while Nifty touched a low of 6,971 on February 25, 2016. The biggest gain in Sensex and Nifty was observed on March 1, 2016 when both the indices appreciated by 3.4 per cent. Both the indices registered their biggest fall of 5.9 per cent on August 31, 2015.

In the cash segment, the turnover at BSE and NSE declined by 13.4 per cent and 2.1 per cent respectively during 2015-16 as compared to a rise of 63.9 per cent and 54.2 per cent, respectively during the previous financial year. In the derivatives segment, the turnover at BSE decreased by 78.0 per cent while the turnover at NSE increased by 16.6 per cent during 2015-16 as compared to an increase of 120.9 per cent at BSE and 45.5 per cent at NSE during 2014-15. The Metropolitan Stock Exchange of India Ltd. (MSEI) recorded insignificant volumes in the cash segment and no trading was observed in its equity derivatives segment.

*(Source – SEBI Annual Report 2015-16)*

## **DEMATERIALISATION**

Dematerialisation is the process through which securities in physical form are converted to electronic form. Dematerialisation allows investors to handle investments in an effective manner. Dematerialisation of shares has been an important milestone in Indian capital markets as it has stirred the micro-structure of markets in general and of stock exchanges in particular. At the end of March 2016, there were 145.7 lakh demat accounts at the National Securities Depository Limited (NSDL) and 107.9 lakh demat accounts at the Central Depository Services (India) Limited (CDSL); 15,638 companies had signed up for dematerialisation at NSDL and 10,021 at CDSL as on March 31, 2016. The quantity of dematerialised securities at NSDL increased by 18.6 per cent to 1,10,02,089 lakh in 2015-16 from 92,73,570 lakh in 2014-15. At CDSL, the quantity of dematerialised securities increased by 10.5 per cent from 20,60,123 lakh in 2014-15 to 22,75,489 lakh in 2015-16. The number of shares settled in demats form and the value of shares settled in demats form decreased at both NSDL and CDSL. Similarly the quantity of securities in demats form and their value observed an increase at both NSDL and CDSL in 2015-16. At NSDL, the total value of demat settled shares decreased by 2.9 per cent from ₹ 20,69,409 crore in 2014-15 to ₹ 20,09,725 crore in 2015-16. At CDSL, too, the value of shares settled in demat decreased by 12.1 per cent from ₹ 5,48,511 crore in 2014-15 to ₹ 4,82,355 crore in 2015-16. The ratio of dematerialised equity shares to total outstanding shares of listed companies was 85.4 per cent at NSDL and 12.8 per cent at CDSL at the end of 2015-16.

## **MUTUAL FUNDS**

In 2015-16, mutual funds showed a positive growth in terms of net resource mobilisation. The gross mobilisation of resources by all mutual funds was ₹ 1,37,65,555 crore compared to ₹ 1,10,86,259 crore during the previous year, showing an increase of 24.2 per cent over the previous year. Correspondingly, redemption increased by 24.1 per cent to ₹ 1,36,31,374 crore in 2015-16 from ₹ 1,09,82,971 crore in 2014-15. The net resources mobilised by all the mutual funds in 2015-16 was ₹ 1,34,180 crore compared to net mobilisation of ₹ 1,03,287 crore in 2014-15, showing a rise of 30 per cent. In equity oriented schemes there was a net inflow of ₹ 74,026 crore in 2015-16. The AUM of mutual funds industry has witnessed a constant growth and it increased



by nearly ₹ 6.41 lakh crore in last five years. The cumulative net assets of all mutual funds as on March 31, 2016 was ₹ 12,32,824 crore as against ₹ 10,82,757 crore on March 31, 2015, representing an increase of 13.9 per cent.

*(Source – SEBI Annual Report 2015-16)*

## **DERIVATIVE**

The equity derivatives segment is the most vibrant, active and dominant segment in the Indian securities market. Over the years, there has been manifold increase in its volumes - both in terms of the number of contracts traded as well as traded value and products traded. India holds a significant place in the arena of world derivatives markets. In recent years the equity derivatives segment has been the most traded and valued segment. Its turnover to GDP ratio for 2015-16 stood at 511, which in itself illustrates the kind of liquidity that this market has. The World Federation of Exchanges (WFE) in its 2015 report said that the traded volumes exceeded 2011 levels and the Asia Pacific region was responsible for a large proportion of this growth. According to the report, NSE accounted for nearly 50 per cent of total global volumes in stock index options. The total turnover in 2015-16 in the derivatives segment was approximately 14 times the turnover in the cash market, but was 8.8 per cent lower than the total futures and options (F&O) turnover recorded in 2014-15. NSE had a majority share in trading volumes at 93.5 per cent in 2015-16, while BSE contributed only 6.5 per cent, a marked decline from the previous year's contribution of 26.8 per cent. The total number of contracts traded in NSE's derivative segment increased by 14.2 per cent to 209.8 crore in 2015-16 from 183.7 crore in 2014-15; whereas, at BSE the number of contracts traded decreased significantly by 79.0 per cent from 50.5 crore in 2014-15 to 10.6 crore in 2015-16. The value of the contracts traded in NSE's equity derivatives segment increased by 16.6 per cent to ₹ 6.48 crore in 2015-16 from ₹ 5.56 crore in 2014-15, whereas the turnover in the equity derivatives segment at BSE was more than halved to ₹ 44,75,008 crore in 2015-16 from ₹ 2,03,62,741 crore in 2014-15. MSEI recorded no turnover during the year. The open interest in NSE's derivative segment decreased by 13.9 per cent from ₹ 1,79,344 crore at the end of 2014-15 to ₹ 1,54,411 crore at the end of 2015-16; whereas at BSE, the open interest for 2015-16 was less than one per cent of the previous year's figure of ₹ 1,001 crore.

Currency derivatives in Indian markets are traded on BSE, NSE, and MSEI. The United Stock Exchange (USE) has merged with BSE vide the Bombay High Court order dated April 24, 2015. During 2015-16, the total turnover was the highest at NSE (₹ 45,01,886 crore), followed by BSE (₹ 18,50,359 crore) and MSEI (₹ 3,24,576 crore). NSE accounted for 67.4 per cent of the total turnover in the currency segment followed by BSE (27.7 per cent), and MSEI (4.9 per cent).

*(Source – SEBI Annual Report 2015-16)*

## **STOCK BROKERS & CLEARING MEMBERS**

During 2015-16, 63 stock brokers and 60 clearing members were registered with SEBI. Further, 54 stock brokers and 47 clearing members surrendered their certificate of registration during 2015-16.

*(Source – SEBI Annual Report 2015-16)*



## **SUMMARY OF OUR BUSINESS**

### **OVERVIEW**

Our Company was incorporated on July 12, 1994 as “FMS Securities Limited” as a Public Limited Company with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong. In the year 2000, Our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the management of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat , Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat , Mr. Haradhan Saha, Mr. Laxmi Narain Biyani , Mrs. Ambika Barua and Mrs. Indu Kumbhat.. Later, pursuant to scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon’ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited and fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, NCT of Delhi and Haryana on July 15, 2010. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 pursuant to Company Law Board, New Delhi Bench order dated April 17, 2012.

Our company is currently engaged in the business of equity broking, investing and trading activities. Along with this we are also providing the services as a Depository Participant, Research Analyst, Mutual Fund Advisor/Distributor and also an application has been filed with Securities and Exchange Board of India for the registration of Company as a Portfolio Manager. Our Company got registered with SEBI as Stock Broker (Member of BSE) in the year 2000 and started the Stock Brokering operations. Later during the year 2007-08 we got registered as a trading and clearing member of Bombay Stock Exchange (BSE). Post the merger of the company we got registered with SEBI as Stock Broker, Trading and Clearing Member of National Stock Exchange of India (NSE) in the year 2012. With the introduction of the Future and option segment into the Indian capital market the company became Member under future & Option (F&O) Segment also. Currently, The Company is providing broking services in Equity, Currency derivative and Future & Options segment of National Stock Exchange of India Limited and BSE Limited

Post this development, we focused on trading and broking segment particularly for High Net worth clients. Further, in order to target new HNI & retail customers and to expand our business operations, we setup our branches in New Delhi and Noida We currently have a network of around 5 sub brokers and 173 Authorised persons registered with us in BSE and 03 sub brokers and 163 Authorized persons in NSE all over India catering to the needs of our clients.

Looking into the opportunities in the Depository and Participants business we also forayed into the depositories business. We received the permanent registration from SEBI as Participant of the CDSL depositories in the year 2015. With the plan to further expand our business in the depository Participant we opened a Branch depository participant at Hissar, Haryana. We are also engaged in the business of Mutual Fund activities and have taken the membership of AMFI. Our Company is also engaged in making proprietary investments in various tradable securities. We invest in both securities and derivatives with sufficient liquidity. The investment strategies are mostly to earn arbitrage gain done based on analysis and investment rationale. With a plan to further diversify the operations of the company from share trading and brokering service our company has entered into the Research Analysis business and also applied for the registration for Portfolio management services.

Our Promoters Mr. Parveen Gupta, Mr. Rajesh Gupta, Mr. Sachin Gupta and Mr. Yash Pal Gupta are responsible for the growth achieved by the company in the past. With the experience and knowledge of our promoters about the intricacies of the Indian Stock Market, we have received the support and guidance because of which we were able to grow our turnover in leaps and bounds. Our Promoters’ unique ideas and innovative solutions to the various operational problems along with the hardworking team are the main strength of our Company.

For the Fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 our total revenue stood at 10635.98 Lakhs, 6065.07 Lakhs, 3009.78 lakhs & 1820.72 Lakhs respectively. Further, our EAT for the Fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 were 813.82 Lakhs 627.75 Lakhs, 334.71 Lakhs & 57.04 Lakhs respectively. We have been able to increase our revenue at an annual growth rate of 55.47 % from fiscal 2014 until fiscal 2017..

### **CERTIFICATIONS & RECOGNITIONS RECEIVED BY OUR COMPANY**



Some of the prominent certifications and recognitions received by our Company are the following:-

- Our company has received an award for appreciation for our contribution in the 1 crores Demat accounts opened by CDSL.
- Our company has been accredited with certificate for being among the top performing members for the year 2015-16 in equity and equity derivatives segment of the National Stock Exchange of India Limited.
- Our company has been accredited with certificate for being among the top performing members for the year 2015-16 in Currency derivative segment of the National Stock Exchange of India Limited.

## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters and management team.**

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoters' viz. Mr. Parveen Gupta, Mr. Rajesh Gupta, Mr. Sachin Gupta and Mr. Yash Pal Gupta with their knowledge and experience are well assisted by our Key Managerial Persons who have helped us to have long term relations with our customers and have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

### **2. Diversified yet integrated mix of business.**

Our company is engaged in the business of Share broking and trading services in Equity, Future & Options and Currency Derivatives segments and has the membership in the cash, future and options and currency derivatives segments of both BSE and NSE, Depository Participant services with CDSL and is also providing Mutual fund investment services to clients. Apart from the above we have also entered into proprietary trading (own account trading) activities also. With our wide range of services our company is able to cater to the demand so fall our customers under one roof.

### **3. Long term relationship with the clients**

Our Company believes in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions and faster resolution of customer complaints, if any, has helped us to establish long-term relationships with high net worth clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

### **4. Strong Risk Management System**

We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, including instruments, strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cashflow. We periodically review and modify such procedures, as necessary or appropriate. These procedures cover our internal control system, customer margin requirement and risk management of relationship managers.

## **OUR BUSINESS STRATEGIES**

### **1. Entering into new geographies**

We are currently located in Ghaziabad, New Delhi, Jaipur and Mumbai. Going forward we plan to establish our presence in the western and central region and we intend to set up branch offices in major cities. Our emphasis is on expanding the scale of our operations as well as growing our network across India, which we believe will provide attractive opportunities to grow our client base and revenues.

### **2. Continue to develop client relationships**

We plan to grow our business primarily by growing the number of client relationships, as we believe that increase in client relationships will add stability to our business. We seek to build on existing relationships and



also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

### 3. Attract and retain talented employee

Employees are essential for the success of every organization. We constantly intend to continue our focus on providing healthy and comfortable work climate for our employees and provide various programs and benefits for the personal well-being and career development. We intend to strive to further reduce the employee attrition rate and retain more of our employees to facilitate our future expansion by providing them with better and healthier working environment.

### 4. Competitive Pricing

To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the competition and claim a position of strength in the marketplace.

### 5. Optimize operational efficiencies

Since the beginning, the thrust of our Company has been in pursuing the most economical model in every aspect of manpower and installations to enable ourselves to achieve operational efficiencies. We shall continue to invest in technology and related platforms to increase our operational efficiencies. We believe that investment in technology / automation tools can improve staff productivity, enabling our people to handle more transactions / challenges and improve quality of services.

## OUR LOCATION

|  |  |
|--|--|
| <b>Registered Office</b>   | 6th Milestone, New Bhai Chara Complex, Opp. Mata Mandir, Chikambarpur, Up Border, Sahibabad, Uttar Pradesh-201006, India                           |
| <b>Corporate Office</b>  | 14, Dayanand Vihar, Delhi-110092, India  |
| <b>Branch Office</b>   | 518, 5 <sup>th</sup> Floor, Ocean Complex, Sector-18, Noida, Distt. Guatam Budh Nagar, U.P.-201301, India  |
|  | 301 & 02, 3 <sup>rd</sup> Floor, 13, Yamuna Tower, Saini Enclave, Delhi-110092, India  |
|  | Unit No.A-241 & 242 Second Floor, Pacific Bussiness Park, Plot No.37/1, Site-IV, Sahibabad Industrial Area, Ghaziabad, Uttar Pradesh-201010, India |
|  | 219-220, Krishan Square, JDA Shopping Centre, Subhash Nagar, Jaipur, Rajasthan, India  |
|  | Shop No-8, Ground Floor, Eden Gardens, Mahavir Nagar, Kandivali (West), Mumbai-400067, India   |
|  | B-49/7, Site-IV, Sahibabad Industrial Area, Sahibabad, Ghaziabad, UP-201010, India   |
|  | Unit No-607, B2B Centre Co-operative Premises Society Ltd., Kanchpada, Off Link Road, Malad (West), Mumbai-400064, India                           |
|  | 22, Aggarsain Market, Opposite Post Office, Hissar, Haryana-125001   |
|  | A-86, 2 <sup>nd</sup> Floor, Ashok Vihar, Phase-3, Delhi-110052  |
| House No. B-3, 2 <sup>nd</sup> Floor, 60 Feet Road, PulPehladpur, New Delhi-110044 |  |

## SWOT ANALYSIS

|  |  |
|--|--|
| <b>Strengths</b> <ul style="list-style-type: none"> <li>Competitive Pricing.</li> <li>Good quality services.</li> <li>Experienced Promoter &amp; Management Team.</li> <li>Latest and advanced technology and infrastructure.</li> <li>Strong relationship with customer.</li> </ul> | <b>Weakness</b> <ul style="list-style-type: none"> <li>Higher taxes</li> <li>Technology downtime</li> </ul>  |
| <b>Opportunities</b> <ul style="list-style-type: none"> <li>Opportunities in Primary Market.</li> <li>Increasing focus on investment by general public.</li> </ul>   | <b>Threats</b> <ul style="list-style-type: none"> <li>Fluctuation in Stock market.</li> <li>Government &amp; regulatory norms</li> <li>Change in the investors perception about stock</li> </ul> |



## OUR MAJOR PRODUCTS, SERVICES AND PROCESSES

### Equity Broking

Our Company is a member of BSE and NSE for trading in Equity market. We cater to the needs of our clients i.e. corporate, high net worth individuals and retail investors in the secondary market segments (Cash, F&O and CD). We provide personalized trade and execution services along with real time information to our clients. Our trading volumes for the year ended on March 31, 2017 are as follows:

| Stock Exchange | Trading Volumes              |                             |                              |                                       |
|----------------|------------------------------|-----------------------------|------------------------------|---------------------------------------|
|                | - Cash Equities<br>(₹Crores) | Equity Futures<br>(₹Crores) | Equity Options<br>(₹ Crores) | Currency<br>Derivatives (₹<br>Crores) |
| BSE            | 848.25                       | 32.09                       | -                            | 30421.37                              |
| NSE            | 45178.71                     | 545255.25                   | 28229.94                     | 42203.42                              |

### Depository Services

Depository Participant is an agent of the depository and can offer depository related services. We offer depository facility to our equity trading clients as a part of integrated service offering through CDSL, where our Company is registered as depository participant. The effective management of transactions by skilled professionals has helped out our Company to gain the trust of the clients over the years as depicted below -

| Depository | Total No. of Active<br>Clients<br>2014-15 | Total No. of Active<br>Clients<br>2015-16 | Total No. of Active<br>Clients<br>2016-17 |
|------------|---|---|---|
| CDSL       | 7363                                      | 7731                                      | 8367                                      |

### Distribution of Mutual Funds

We are also into distribution of Mutual funds. We offer various options of investments in Mutual Funds, Tax saving ELSS Schemes, etc. We have utilised our strength of network, clients specially high networth individuals and corporates with high liquidity for distribution of financial products. We use our relationship with our clients for marketing mutual funds.

Apart from the services mentioned above we are also engaged in making proprietary investments in various tradable securities with the strategy to earn arbitrage gain done based on analysis and investment rationale. We are also engaged in providing services of Research Analyst and also applied for the registration as a Portfolio Manager with SEBI.





**SUMMARY OF OUR FINANCIAL**

**ANNEXURE – I  
RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

(Amt. in Lacs)

| Particulars                                      | As at            |                 |                 |                 |                |
|--|------------------|-----------------|-----------------|-----------------|----------------|
|  | 31-Mar-17        | 31-Mar-16       | 31-Mar-15       | 31-Mar-14       | 31-Mar-13      |
| <b>I. EQUITY AND LIABILITIES</b>                 |                  |                 |                 |                 |                |
| <b>Shareholder's Funds</b>                       |                  |                 |                 |                 |                |
| Share Capital                                    | 462.31           | 462.31          | 424.49          | 393.65          | 393.65         |
| Reserves and Surplus                             | 2841.91          | 2028.09         | 1314.70         | 917.66          | 860.63         |
| Money received against share warrants            | -                | -               | -               |                 |                |
| <b>Share Application Money Pending Allotment</b> | -                | -               | -               | -               | -              |
| <b>Non Current Liabilities</b>                   |                  |                 |                 |                 |                |
| Long-term Borrowings                             | 35.51            | 39.49           | 18.63           | 6.15            | 12.66          |
| Deferred tax liabilities (Net)                   | -                | -               | -               | -               | -              |
| Other Long Term Liabilities                      | 12.42            | 343.52          | 602.46          | 374.60          | 145.98         |
| Long-term Provisions                             | 81.59            | 52.56           | 34.30           | 29.70           | 17.60          |
| <b>Current Liabilities</b>                       |                  |                 |                 |                 |                |
| Short-term Borrowings                            | 3016.82          | 2030.47         | 1868.95         | 1163.49         | 964.70         |
| Trade Payables                                   | 2343.52          | 1839.79         | 932.72          | 761.12          | 738.81         |
| Other Current Liabilities                        | 1140.71          | 1030.37         | 513.44          | 889.19          | 289.30         |
| Short-term Provisions                            | 450.61           | 324.23          | 136.64          | 37.68           | 48.09          |
| <b>Total</b>                                     | <b>10,385.41</b> | <b>8,150.85</b> | <b>5,846.32</b> | <b>4,573.25</b> | <b>3471.43</b> |
| <b>II. Assets</b>                                |                  |                 |                 |                 |                |
| <b>Non Current Assets</b>                        |                  |                 |                 |                 |                |
| Fixed assets                                     |                  |                 |                 |                 |                |
| (i) Tangible Assets                              | 747.70           | 723.03          | 691.57          | 628.86          | 633.34         |
| (ii) Intangible Assets                           | 68.62            | 32.71           | 14.48           | 1.80            | 5.90           |
| (iii) Capital Work-In-Progress                   | -                | -               | -               | -               | -              |
| (iv) Intangible Assets Under Development         | -                | -               | -               | -               | -              |
| <b>Non Current Investments</b>                   | <b>253.44</b>    | <b>118.44</b>   | <b>118.44</b>   | <b>118.44</b>   | <b>118.44</b>  |
| <b>Deferred Tax Assets (Net)</b>                 | <b>58.45</b>     | <b>36.85</b>    | <b>24.83</b>    | <b>19.83</b>    | <b>16.90</b>   |
| <b>Long-term Loans and Advances</b>              | <b>214.30</b>    | <b>174.77</b>   | <b>226.77</b>   | <b>175.77</b>   | <b>219.93</b>  |
| <b>Other Non Current Assets</b>                  | -                | -               | -               | -               | -              |
| <b>Current assets</b>                            |                  |                 |                 |                 |                |
| Current Investments                              | 2321.47          | 0.00            | 300.00          | 41.00           | 41.00          |
| Inventories                                      | 405.26           | 216.41          | 88.26           | 181.12          | 86.15          |
| Trade Receivables                                | 1522.11          | 1850.08         | 1579.63         | 2168.25         | 1,512.74       |
| Cash and Cash Equivalents                        | 3296.94          | 3311.65         | 2195.35         | 849.39          | 316.45         |
| Short-term Loans and Advances                    | 1476.68          | 1632.24         | 581.26          | 383.49          | 517.97         |
| Other Current Assets                             | 20.42            | 54.68           | 25.72           | 5.30            | 2.60           |
| <b>Total</b>                                     | <b>10,385.41</b> | <b>8,150.85</b> | <b>5,846.32</b> | <b>4,573.25</b> | <b>3471.43</b> |



**ANNEXURE II**  
**RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS**

(Amt. in Lacs)

| Particulars  |          | For the Year ended |                 |                 |                 |                 |
|--|----------|--------------------|-----------------|-----------------|-----------------|-----------------|
|  |          | 31-03-2017         | 31-03-2016      | 31-03-2015      | 31-03-2014      | 31-03-2013      |
| Revenue from Operations  |          | 10,635.98          | 6,965.07        | 3,009.78        | 1,820.72        | 1,508.32        |
| Other income   |          | 378.12             | 433.93          | 327.30          | 91.71           | 228.42          |
| <b>Total Revenue</b>   | <b>A</b> | <b>11,014.10</b>   | <b>7,399.00</b> | <b>3,337.09</b> | <b>1,912.43</b> | <b>1,736.74</b> |
| Expenses:  |          |                    |                 |                 |                 |                 |
| Cost of Operations   |          | 6,776.56           | 4,604.37        | 1,598.51        | 1,074.84        | 871.13          |
| Employee benefits expense  |          | 1,812.71           | 921.03          | 416.84          | 289.67          | 233.14          |
| Finance costs  |          | 325.02             | 335.33          | 249.89          | 159.19          | 230.99          |
| Depreciation and amortization expense                                      |          | 184.97             | 158.89          | 101.00          | 46.45           | 40.58           |
| Other expenses   |          | 675.33             | 442.30          | 508.02          | 253.98          | 171.53          |
| <b>Total Expenses</b>  | <b>B</b> | <b>9,774.59</b>    | <b>6,461.91</b> | <b>2874.26</b>  | <b>1,824.13</b> | <b>1547.37</b>  |
| Profit before exceptional and extraordinary items and tax (A-B)            | <b>C</b> | 1,239.51           | 937.09          | 462.82          | 88.30           | 189.38          |
| Exceptional/Prior Period item  |          | -                  | -               | -               | -               | -               |
| Profit before extraordinary items and tax                                  |          | 1,239.51           | 937.09          | 462.82          | 88.30           | 189.38          |
| Extraordinary item   |          | -                  | -               | -               | -               | -               |
| Profit Before Tax  |          | 1,239.51           | 937.09          | 462.82          | 88.30           | 189.38          |
| Provision for Tax  |          |                    |                 |                 |                 |                 |
| - Current Tax  |          | 447.30             | 321.36          | 128.28          | 29.20           | 41.83           |
| (2) Wealth Tax   |          | -                  | -               | 4.82            | 4.99            | 5.14            |
| - Deferred Tax Liability / (Asset)   |          | (21.61)            | (12.02)         | (5.00)          | (2.93)          | (2.34)          |
| - MAT Credit Entitlement   |          | -                  | -               | -               | -               | -               |
| - MAT Credit Utilised  |          | -                  | -               | -               | -               | -               |
| -Short/(Excess) Tax adjustment of prior years                              |          | -                  | -               | -               | -               | -               |
| <b>Restated profit after tax for the period from continuing operations</b> |          | <b>813.82</b>      | <b>627.75</b>   | <b>334.71</b>   | <b>57.04</b>    | <b>144.75</b>   |
| Profit/ (Loss) from Discontinuing operation                                |          | -                  | -               | -               | -               | -               |
| Tax expenses of discontinuing operations                                   |          | -                  | -               | -               | -               | -               |
| <b>Restated profit for the period</b>                                      |          | <b>813.82</b>      | <b>627.75</b>   | <b>334.71</b>   | <b>57.04</b>    | <b>144.75</b>   |



**ANNEXURE III  
RESTATED CASH FLOW STATEMENT**

(Amt. in Lacs)

| Particulars   | For the Year ended |                 |                 |                |               |
|---|--------------------|-----------------|-----------------|----------------|---------------|
|   | 31-03-2017         | 31-03-2016      | 31-03-2015      | 31-03-2014     | 31-03-2013    |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                    |                 |                 |                |               |
| <b>Net Profit before tax</b>  | 1,239.51           | 937.09          | 462.82          | 88.30          | 189.38        |
| Adjustment for :  |                    |                 |                 |                |               |
| Interest on Fixed Deposit   |                    | -               | -               | -              | -             |
| Dividend Income   |                    | -               | -               | -              | -             |
| Depreciation  | 184.97             | 158.89          | 101.00          | 46.45          | 40.58         |
| Preliminary Exp. Paid in cash during year   |                    |                 |                 |                | -             |
| Provision of Gratuity   | -                  | -               | -               | -              | 19.26         |
| Loss on foreign Exchange Fluctuation  |                    |                 | -               |                | -             |
| Loss / (Profit) on sale of Fixed Assets   | (3.30)             | 0.05            | -               | (2.63)         | -             |
| Transition Period Adjustment  |                    |                 |                 | -              |               |
| Balance Write off   |                    |                 | -               | -              | -             |
| Interest on Borrowed Fund   |                    | -               | -               | -              | -             |
|   |                    |                 |                 |                |               |
| <b>Operating profit before working capital changes</b>                                      | 1,421.18           | 1,096.02        | 563.82          | 132.11         | 249.22        |
| <b>Adjustment for :</b>   |                    |                 |                 |                |               |
| (Increase)/Decrease in Inventories  | (188.86)           | (128.15)        | 92.86           | (94.97)        | 7.95          |
| (Increase)/Decrease in Trade Receivables  | 327.96             | (270.44)        | 588.62          | (655.51)       | 970.30        |
| (Increase)/Decrease in Short Term loans and advances  | 155.56             | (1,050.98)      | (197.77)        | 134.48         | 282.06        |
| (Increase)/Decrease in Other Current Assets   | (2,287.21)         | 271.03          | (279.42)        | (2.69)         | 71.20         |
| (Increase)/Decrease in Long Term loans and advances   | (39.53)            | 52.00           | (51.00)         | 44.16          | (78.19)       |
| Increase/(Decrease) in trade payables   | 503.73             | 907.08          | 171.60          | 22.32          | 148.81        |
| Increase/(Decrease) in tax provisions   | 126.38             | 187.60          | 98.95           | (10.41)        | 15.02         |
| Increase/(Decrease) in other current liabilities  | (191.74)           | 276.26          | (143.30)        | 840.61         | (669.93)      |
|   |                    |                 |                 |                |               |
| <b>Cash generated from / (used in) operations</b>   | <b>(172.53)</b>    | <b>1,340.42</b> | <b>844.36</b>   | <b>410.10</b>  | <b>996.42</b> |
| Income Tax paid   | 447.30             | 321.36          | 133.10          | 34.20          | 46.97         |
| <b>Net cash generated from/(used in) operating activities - (A)</b>                         | <b>(619.83)</b>    | <b>1,019.07</b> | <b>711.26</b>   | <b>375.90</b>  | <b>949.46</b> |
|   |                    |                 |                 |                |               |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |                    |                 |                 |                |               |
| Purchase of tangible fixed assets   | (247.85)           | (216.03)        | (185.01)        | (74.24)        | (97.51)       |
| Sale (Purchase) of long-term investments  | (135.00)           | -               | -               | -              | 181.57        |
| Sale of tangible fixed assets   | 5.60               | 6.08            | -               | 39.00          | -             |
| Interest Income on Fixed Deposit  |                    | -               | -               | -              | -             |
| Dividend Income   |                    |                 |                 |                |               |
| <b>Net cash (used in) Investing Activities - (B)</b>  | <b>(377.25)</b>    | <b>(209.96)</b> | <b>(185.01)</b> | <b>(35.24)</b> | <b>84.07</b>  |
|   |                    |                 |                 |                |               |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |                    |                 |                 |                |               |
| Proceeds from issue of Share Capital/ Share Application Money (Including Application Money) | -                  | 37.82           | 30.84           | -              | (4.50)        |



|   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Proceeds from issuance of share capital<br>Share Premium                  | -                 | 86.99             | 70.93             | -                 | -                 |
| Proceeds / Repayment of borrowings  | 982.38            | 182.38            | 717.94            | 192.27            | (1,315.63)        |
| Interest on Borrowed Fund   | -                 | -                 | -                 | -                 | -                 |
| Proposed Dividend Paid (Including<br>Dividend Distribution Tax)           | -                 | -                 | -                 | -                 | -                 |
| <b>Net cash(used in) / from financing<br/>activities - (C)</b>            | <b>982.38</b>     | <b>307.19</b>     | <b>819.71</b>     | <b>192.27</b>     | <b>(1,320.13)</b> |
| <b>Net Increase/(decrease) in Cash &amp; Cash<br/>Equivalents (A+B+C)</b> | <b>(14.71)</b>    | <b>1,116.30</b>   | <b>1,345.97</b>   | <b>532.93</b>     | <b>(286.61)</b>   |
| Cash and cash equivalents at the<br>beginning of the year                 | 3,311.65          | 2,195.35          | 849.39            | 316.45            | 603.06            |
| Cash and cash equivalents at the end of<br>the year                       | 3,296.94          | 3,311.65          | 2,195.35          | 849.39            | 316.45            |
| <b>Cash and cash equivalents at the end of<br/>year comprises :</b>       |                   |                   |                   |                   |                   |
| <b>1. Components of cash and cash<br/>equivalents:</b>                    |                   |                   |                   |                   |                   |
| <b>Particulars</b>  | <b>31-03-2017</b> | <b>31-03-2016</b> | <b>31-03-2015</b> | <b>31-03-2014</b> | <b>31-03-2013</b> |
| Cash on hand  | 5.31              | 4.69              | 2.27              | 2.73              | 1.13              |
| Balances with scheduled banks:  |                   |                   |                   |                   |                   |
| In current accounts   | 286.14            | 138.71            | 103.83            | 194.91            | 179.82            |
| in Deposits with Scheduled Bank   | 3,005.49          | 3,168.25          | 2,089.25          | 651.75            | 135.50            |
| <b>Total Cash and cash equivalents</b>                                    | <b>3,296.94</b>   | <b>3,311.65</b>   | <b>2,195.35</b>   | <b>849.39</b>     | <b>316.45</b>     |



**ANNEXURE – I**  
**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt. in Lacs)

| Particulars                                      | As at           |                |
|--|-----------------|----------------|
|  | 31-Mar-17       | 31-Mar-16      |
| <b>I. EQUITY AND LIABILITIES</b>                 |                 |                |
| <b>Shareholder's Funds</b>                       |                 |                |
| Share Capital                                    | 462.31          | 462.31         |
| Reserves and Surplus                             | 2867.35         | 2069.00        |
| Money received against share warrants            | -               | -              |
| <b>Share Application Money Pending Allotment</b> | -               | -              |
| <b>Non Current Liabilities</b>                   |                 |                |
| Long-term Borrowings                             | 35.51           | 39.49          |
| Deferred tax liabilities (Net)                   | -               | -              |
| Other Long Term Liabilities                      | 12.42           | 343.52         |
| Long-term Provisions                             | 81.59           | 52.56          |
| <b>Current Liabilities</b>                       |                 |                |
| Short-term Borrowings                            | 3016.82         | 2030.47        |
| Trade Payables                                   | 2349.38         | 1839.79        |
| Other Current Liabilities                        | 1140.83         | 1030.37        |
| Short-term Provisions                            | 450.61          | 324.23         |
| <b>Total</b>                                     | <b>10416.83</b> | <b>8191.77</b> |
| <b>II. Assets</b>                                |                 |                |
| <b>Non Current Assets</b>                        |                 |                |
| Fixed assets                                     |                 |                |
| (i) Tangible Assets                              | 747.70          | 723.03         |
| (ii) Intangible Assets                           | 68.62           | 32.71          |
| (iii) Capital Work-In-Progress                   | -               | -              |
| (iv) Intangible Assets Under Development         | -               | -              |
| <b>Non Current Investments</b>                   | 161.19          | 159.36         |
| <b>Deferred Tax Assets (Net)</b>                 | 59.30           | 36.85          |
| <b>Long-term Loans and Advances</b>              | 216.30          | 174.77         |
| <b>Other Non Current Assets</b>                  | -               | -              |
| <b>Current assets</b>                            |                 |                |
| Current Investments                              | 2321.47         | 0.00           |
| Inventories                                      | 405.26          | 216.41         |
| Trade Receivables                                | 1577.76         | 1850.08        |
| Cash and Cash Equivalents                        | 3304.67         | 3311.65        |
| Short-term Loans and Advances                    | 1531.79         | 1632.24        |
| Other Current Assets                             | 22.76           | 54.68          |
| <b>Total</b>                                     | <b>10416.83</b> | <b>8191.77</b> |



**ANNEXURE II**  
**RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(Amt. in Lacs)

| Particulars  |          | For the Year ended |                 |
|--|----------|--------------------|-----------------|
|  |          | 31-03-2017         | 31-03-2016      |
| Revenue from Operations  |          | 10631.00           | 6,965.07        |
| Other income   |          | 378.12             | 433.93          |
| <b>Total Revenue</b>   | <b>A</b> | <b>11009.11</b>    | <b>7,399.00</b> |
| Expenses:  |          |                    |                 |
| Cost of Operations   |          | 6777.24            | 4,604.37        |
| Employee benefits expense  |          | 1,812.71           | 921.03          |
| Finance costs  |          | 325.02             | 335.33          |
| Depreciation and amortization expense                                      |          | 184.97             | 158.89          |
| Other expenses   |          | 681.83             | 442.30          |
| <b>Total Expenses</b>  | <b>B</b> | <b>9781.75</b>     | <b>6,461.91</b> |
| Profit before exceptional and extraordinary items and tax (A-B)            | <b>C</b> | 1227.36            | 937.09          |
| Exceptional/Prior Period item  |          | -                  | -               |
| Profit before extraordinary items and tax                                  |          | 1227.36            | 937.09          |
| Extraordinary item   |          | -                  | -               |
| Profit Before Tax  |          | 1227.36            | 937.09          |
| Provision for Tax  |          |                    |                 |
| - Current Tax  |          | 447.30             | 321.36          |
| (2) Wealth Tax   |          | -                  | -               |
| - Deferred Tax Liability / (Asset)   |          | (22.45)            | (12.02)         |
| - MAT Credit Entitlement   |          | -                  | -               |
| - MAT Credit Utilised  |          | -                  | -               |
| -Short/(Excess) Tax adjustment of prior years                              |          | -                  | -               |
| <b>Restated profit after tax for the period from continuing operations</b> |          | <b>802.51</b>      | <b>627.75</b>   |
| Profit/ (Loss) from Discontinuing operation                                |          | -                  | -               |
| Tax expenses of discontinuing operations                                   |          | -                  | -               |
| <b>Restated profit for the period</b>                                      |          | <b>802.51</b>      | <b>627.75</b>   |



**ANNEXURE III**  
**RESTATED CONSOLIDATED CASH FLOW STATEMENT**

(Amt. in Lacs)

| Particulars   | For the Year ended |                   |
|---|--------------------|-------------------|
|   | 31-03-2017         | 31-03-2016        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                    |                   |
| Net Profit before tax   | 1227.36            | 937.09            |
| Adjustment for :  |                    |                   |
| Interest on Fixed Deposit   |                    | -                 |
| Dividend Income   |                    | -                 |
| Depreciation  | 184.97             | 158.89            |
| Preliminary Exp. Paid in cash during year   |                    |                   |
| Provision of Gratuity   | -                  | -                 |
| Loss on foreign Exchange Fluctuation  | (6.00)             |                   |
| Loss / (Profit) on sale of Fixed Assets   | (3.30)             | 0.05              |
| Transition Period Adjustment  |                    |                   |
| Balance Write off   |                    |                   |
| Interest on Borrowed Fund   |                    | -                 |
|   |                    |                   |
| <b>Operating profit before working capital changes</b>                                      | <b>1403.04</b>     | <b>1,096.02</b>   |
| <b>Adjustment for :</b>   |                    |                   |
| (Increase)/Decrease in Inventories  | (188.86)           | (128.14)          |
| (Increase)/Decrease in Trade Receivables  | 272.32             | (270.44)          |
| (Increase)/Decrease in Short Term loans and advances  | 100.44             | (1050.98)         |
| (Increase)/Decrease in Other Current Assets   | (2289.55)          | 271.03            |
| (Increase)/Decrease in Long Term loans and advances   | (41.53)            | 52.00             |
| Increase/(Decrease) in trade payables   | 509.59             | 907.08            |
| Increase/(Decrease) in tax provisions   | 126.38             | 187.59            |
| Increase/(Decrease) in other current liabilities  | (191.63)           | 276.26            |
|   |                    |                   |
| <b>Cash generated from / (used in) operations</b>   | <b>(299.80)</b>    | <b>1340.42</b>    |
| Income Tax paid   | 447.30             | 321.36            |
| <b>Net cash generated from/(used in) operating activities - (A)</b>                         | <b>(747.10)</b>    | <b>1019.07</b>    |
|   |                    |                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |                    |                   |
| Purchase of tangible fixed assets   | (247.85)           | (216.03)          |
| Sale (Purchase) of long-term investments  | -                  | -                 |
| Sale of tangible fixed assets   | 5.60               | 6.08              |
| Interest Income on Fixed Deposit  |                    | -                 |
| Dividend Income   |                    |                   |
| <b>Net cash (used in) Investing Activities - (B)</b>  | <b>(242.25)</b>    | <b>(209.96)</b>   |
|   |                    |                   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |                    |                   |
| Proceeds from issue of Share Capital/ Share Application Money (Including Application Money) | -                  | 37.82             |
| Proceeds from issuance of share capital Share Premium                                       | -                  | 86.99             |
| Proceeds / Repayment of borrowings  | 982.38             | 182.38            |
| Interest on Borrowed Fund   |                    | -                 |
| Proposed Dividend Paid (Including Dividend Distribution Tax)                                | -                  | -                 |
| <b>Net cash(used in) / from financing activities - (C)</b>                                  | <b>982.38</b>      | <b>307.19</b>     |
|   |                    |                   |
| <b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>                       | <b>(6.98)</b>      | <b>1,116.30</b>   |
| Cash and cash equivalents at the beginning of the year                                      | 3,311.65           | 2,195.35          |
| Cash and cash equivalents at the end of the year  | 3304.67            | 3,311.65          |
| <b>Cash and cash equivalents at the end of year comprises :</b>                             |                    |                   |
| <b>1. Components of cash and cash equivalents:</b>  |                    |                   |
| <b>Particulars</b>  | <b>31-03-2017</b>  | <b>31-03-2016</b> |



|  |                |                 |
|--|----------------|-----------------|
| Cash on hand                           | 5.31           | 4.69            |
| Balances with scheduled banks:         |                |                 |
| In current accounts                    | 293.87         | 138.71          |
| in Deposits with Scheduled Bank        | 3005.49        | 3,168.25        |
| <b>Total Cash and cash equivalents</b> | <b>3304.67</b> | <b>3,311.65</b> |

### THE ISSUE

| PRESENT ISSUE IN TERMS OF THIS PROSPECTUS                                     |   |
|---|---|
| <b>Equity Shares Offered:</b><br>Public Issue of Equity Shares by our Company | 64,32,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 41.00/- per share aggregating to ₹ 2637.12 Lakhs  |
| <i>of which</i>   |   |
| <b>Fresh Issue<sup>(1)</sup></b>  | 59,32,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 41.00/- per share aggregating to ₹ 2432.12 Lakhs.   |
| <b>Offer for Sale<sup>(2)</sup></b>   | 5,00,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 41.00/- per share aggregating to ₹ 205.00 Lakhs  |
| <i>of which</i>   |   |
| <b>Issue Reserved for the Market Makers</b>                                   | 3,24,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 41.00/- per share aggregating ₹ 132.84 Lakhs   |
| <b>Net Issue to the Public*</b>   | 61,08,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 41.00/- per share aggregating ₹ 2504.28 Lakhs   |
|   | <b>of which</b>   |
|   | 30,54,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 41.00/- per share ( including a premium of ₹ 31.00 per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs |
|   | 30,54,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 41.00/- per share ( including a premium of ₹ 31.00 per Equity Share) will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs             |
| <b>Equity Shares outstanding prior to the Issue</b>                           | 1,84,92,588 Equity Shares of face value of ₹10 each   |
| <b>Equity Shares outstanding after the Issue</b>                              | 2,44,24,588 Equity Shares of face value of ₹10 each   |
| <b>Objects of the Issue/ Use of Issue Proceeds</b>                            | Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 88 of this Prospectus   |

<sup>(1)</sup>Fresh Issue of 59,32,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 06, 2017 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on July 22, 2017.

<sup>(2)</sup>The offer for sale by Mr. Parveen Gupta, Mr. Rajesh Kumar Gupta, Mrs. Rekha Gupta, Mr. Yashpal Gupta, Mr. Sachin Gupta and Mrs. Tripti Gupta (“Selling Shareholders including Promoters”) for 5,00,000 equity shares authorised by their respective undertaking dated July 05, 2017. It has been authorized pursuant to a resolution of our Board of Directors dated July 06, 2017 and by special resolution passed under Section 28 of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on July 22, 2017.

- a) The Selling Shareholder severally and not jointly, specifically confirms that their portion of the Offered shares by each of them by way of the offer, are eligible in accordance with the ICDR Regulations.
- b) This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please see the section titled “*Issue Structure*” beginning on page 277 of the Prospectus
- c) \*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to
    - i. Individual applicants other than Retail Individual Investors.
    - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for



- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

For further details please refer to the chapter titled “*Issue Structure*” beginning on page 277 of the prospectus.



## GENERAL INFORMATION

Our Company was originally incorporated on July 12, 1994 as “FMS Securities Limited” vide Registration no. 02-04175 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong and received Certificate for Commencement of Business on July 20, 1994. Further the Registered Office of the Company was changed to National Capital Territory of Delhi & Haryana from State of Assam and fresh certificate for change in registered office was issued by Registrar of Companies, National Capital Territory of Delhi & Haryana dated December 21, 2000 pursuant to CLB Eastern Region Bench order dated August 09, 2000.

In the year 2000, our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the control of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mrs. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat. Under the auspices of our Promoters, our Company’s turnover has witnessed sustained growth. Moreover, our Company has expanded into the service sector providing solutions to various needs of the investors in the sector of equity broking, investing and trading activities.

Pursuant to the scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon’ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited. vide a fresh certificate of Incorporation pursuant to change of name dated July 15, 2010 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 having CIN U67120UP1994PLC050209 pursuant to Company Law Board, New Delhi Bench order dated April 17, 2012.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 128 of this Prospectus.

### **Registered Office of our Company**

#### **Share India Securities Limited**

6th Milestone, New Bhai-Chara Complex,  
Opp Mata Mandir, Chikambarpur,  
UP Border, Sahibabad, Ghaziabad,  
Uttar Pradesh-201006  
Tel. No. +91-0120-64702730  
E-mail: [vikas\\_cs@shareindia.com](mailto:vikas_cs@shareindia.com)  
Website: [www.shareindia.com](http://www.shareindia.com)  
Corporate Identification Number: U67120UP1994PLC050209  
Registration Number: 050209

### **Corporate Office**

#### **Share India Securities Limited**

14, Dayanand Vihar, Ground Floor,  
Near Karkardooma Metro Station,  
Vikas Marg Ext.  
Delhi – 110092, India  
Tel. No. + 91-11-43011000  
E-mail: [info@shareindia.com](mailto:info@shareindia.com)  
Website: [www.shareindia.com](http://www.shareindia.com)  
Corporate Identification Number: U67120UP1994PLC050209  
Registration Number: 050209

### **Address of Registrar of Companies**

#### **Registrar of Companies, Kanpur, Uttar Pradesh**

37/17, Westcott Building,  
The Mall, Kanpur -208001 Uttar Pradesh-India  
Tel No. 0512-2310443/2310227/2310323  
Email: [roc.kanpur@mca.gov.in](mailto:roc.kanpur@mca.gov.in)  
Website: [www.mca.gov.in](http://www.mca.gov.in)



### Board of Directors of our Company

The Board of Directors of our Company consists of:

| Name                     | Designation                  | Address   | DIN      |
|--------------------------|------------------------------|---|----------|
| Mr. Parveen Gupta        | Chairman & Managing Director | H.No-179, Hargobind Enclave, Delhi 110092-India                       | 00013926 |
| Mr. Rohin Gupta          | Whole Time Director          | H. No. 179, Hargovind Enclave, Delhi-110092,India                     | 06942300 |
| Mr. Rajesh Gupta         | Whole Time Director          | 25, Hargovind Enclave Delhi-110092, India                             | 00006056 |
| Mr. Sachin Gupta         | Whole Time Director          | 306, Jagriti Enclave Delhi- 110092,India                              | 00006070 |
| Mrs. Saroj Gupta         | Whole Time Director          | 306, Jagriti Enclave Delhi-110092,India                               | 00013839 |
| Mr. Yash Pal Gupta       | Non-Executive Director       | 306, Jagriti Enclave Delhi-110092,India                               | 00013872 |
| Mr. Vikas Kumar Mittal   | Independent Director         | 103 Hagovind Enclave Delhi 110092                                     | 00417594 |
| Mr. Santosh Kumar Taneja | Independent Director         | A-287, Deraval Nagar, Dr. Mukerjee Nagar S.o, North West Delhi 110009 | 07877338 |
| Mr. Rakesh Kumar Sharma  | Independent Director         | 408,Sunehari Bagh Apartments Sector 13 Rohini Delhi- 110085,India     | 07159218 |

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 136 of this Prospectus.

### Company Secretary and Compliance Officer

**Mr. Vikas Aggarwal**

**Share India Securities Limited**

14, Dayanand Vihar, Ground Floor,

Near Karkardooma Metro Station,

Vikas Marg Ext.

Delhi – 110092, India

Tel. No. + 91-11-43011000

E-mail: vikas\_cs@shareindia.com

Website: [www.shareindia.com](http://www.shareindia.com)

### Chief Financial Officer

**Mr. Vijay Kumar Rana**

**Share India Securities Limited**

14, Dayanand Vihar, Ground Floor,

Near Karkardooma Metro Station,

Vikas Marg Ext.

Delhi – 110092, India

Tel. No. + 91-11-43011000

E-mail: vijayrana@shareindia.com

Website: [www.shareindia.com](http://www.shareindia.com)

Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances may be addressed to the Registrar to the issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.





For all Issue related queries, and for redressal of complaints, applicant may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Manager, who shall respond to the same.

Details of Key Intermediaries pertaining to this Issue and our Company:

#### LEAD MANAGER OF THE ISSUE

##### HEM SECURITIES LIMITED

904, Naman Midtown- Wing A,  
9Th Floor, Senapati Bapat Marg,  
Elphinstone Road, Lower Parel, Mumbai-400013

Tel No.: +91-22-49060000

Fax No.: +91-22-22625991

Email: [ib@hemsecurities.com](mailto:ib@hemsecurities.com)

Investor Grievance Email: [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)

Website: [www.hemsecurities.com](http://www.hemsecurities.com)

Contact Person: Mr. Anil Bhargava

SEBI Regn. No.: INM000010981

#### LEGAL ADVISOR TO THE OF ISSUE

##### VEDANTA LAW CHAMBERS,

Ist Floor, SSK House, B-62, Sahakar Marg,  
Lal Kothi, Jaipur-302015 Rajasthan, India  
Tel: +91- 141 -2740911, +91- 141 -4014091

Fax: +91- 141 -2740911

Website: [www.vedantalawchamber.com](http://www.vedantalawchamber.com)

Email: [vedantalawchambers@gmail.com](mailto:vedantalawchambers@gmail.com)

Contact Person: Advocate Nivedita Ravindra Sarda

#### REGISTRAR TO THE ISSUE

##### BIGSHARE SERVICES PRIVATE LIMITED

E2 Asna Industrial Estate, Saki Vihar Road  
Sakinaka Andheri East, Mumbai -400072

Tel No.: +91-22-40430200

Fax No.: +91-22-28475207

Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Contact Person: Mr. Srinivas Dornala

SEBI Regn. No.: INR000001385

#### BANKERS TO THE COMPANY

##### ICICI BANK LIMITED

9A Phelp's Building IInd Floor, Connaught Place  
New Delhi – 110001

Tel No.: +91-11-66310348

Fax No.: +91-11-43084010

Email: [vikas.miglani@icicibank.com](mailto:vikas.miglani@icicibank.com)

Contact Person: Mr. Vikas Miglani

Designation :- Zonal Head Capital market Group

##### HDFC BANK LIMITED

B-3/6 First Floor  
Asif Ali Road, Delhi – 110002

Tel No.: +91-11-46806228

Email: [rishipreet.bhatia@hdfcbank.com](mailto:rishipreet.bhatia@hdfcbank.com)

Contact Person: Mr. Rishipreet Singh Bhatia

#### STATUTORY AUDITORS OF THE COMPANY

##### T.K. GUPTA AND ASSOCIATES

##### CHARTERED ACCOUNTANTS

4228/1, Ansari Road, Darya Ganj

New Delhi-110002

Tel. No: +91-23269898/23264006,43540898

Email: [tkga@tkguptaassociates.com](mailto:tkga@tkguptaassociates.com)

Firm Registration No.: 011604N

Website: [tkguptaassociates.com](http://tkguptaassociates.com)



Contact Person: Mr. T.K. Gupta

#### **PEER REVIEW AUDITORS**

**M/s Narendra Sharma & CO**  
**CHARTERED ACCOUNTANTS**  
B-21, Jaipur Tower, M.I. Road,  
Jaipur-302001, Rajasthan, India  
Tel. No.: +91 - 141 - 2363476  
Fax No.:+91- 141 - 2362732  
Email: caygautam@yahoo.com  
Firm Registration No.: 004983C  
Contact Person: Mr. Yogesh Gautam

#### **BANKERS TO THE ISSUE**

##### **HDFC Bank Limited**

HDFC Bank Limited, FIG- OPS Department- Lodha, I  
Think Techno Campus O-3 Level, Next to Kanjurmarg,  
Railway Station, Kanjurmarg (East) Mumbai- 400042  
**Tel No. : 022-30752927/28/2914; Fax No. : 022-25799801**  
**E-mail:** Vincent.Dsouza@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com  
**Website:** www.hdfcbank.com  
**Contact Person:** Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil.  
**SEBI Regn. No. :** INBI00000063

#### **STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Since Hem Securities Limited is the sole Lead Manager to this issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

#### **SELF CERTIFIED SYNDICATE BANKS (“SCSBS”)**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf) For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time

#### **REGISTERED BROKERS**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE at [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

#### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

#### **BROKERS TO THE ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.



## **CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

## **IPO GRADING**

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of appointing an IPO Grading agency.

## **DEBENTURE TRUSTEES**

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

## **TRUSTEES**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lacs and hence our Company has not appointed a monitoring agency for this issue.

However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

## **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue

## **EXPERTS OPINION**

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 171 and page 98 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **WITHDRAWAL OF THE ISSUE**

Our Company and/or the Selling Shareholder, in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company and/or the Selling Shareholder withdraw the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company and/or the Selling Shareholder. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company and/or the Selling Shareholder withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company and/or the Selling Shareholders will have to file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.



Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## UNDERWRITING

The Company, the selling Shareholder and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by Hem Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated August 24, 2017, entered into by Company, the selling shareholder and Underwriter Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

| Details of the Underwriter   | No. of shares underwritten                                      | Amount Underwritten (₹ in Lakh) | % of Total Issue Size Underwritten |
|--|---|---------------------------------|------------------------------------|
| <b>Hem Securities Limited</b><br>203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan, India<br><b>Tel No.:</b> 0141-4051000<br><b>Website:</b> www.hemsecurities.com<br><b>Email:</b> underwriter@hemsecurities.com<br><b>Contact Person:</b> Mr. Anil Bhargava<br><b>SEBI Regn. No.:</b> INM000010981 | 64,32,000* Equity Shares of ₹ 10/- being issued at ₹ 41.00 each | 2637.12 Lacs                    | 100%                               |

*\*Includes 3,24,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker Hem Securities Limited in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15 % of the Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated August 24, 2017 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

|                                      |  |
|--------------------------------------|--|
| <b>Name</b>                          | <b>Hem Securities Limited</b>                                    |
| <b>Correspondence Address:</b>       | 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan, India           |
| <b>Tel No.:</b>                      | 0141 - 4051000   |
| <b>E-mail:</b>                       | mm@hemsecurities.com   |
| <b>Website:</b>                      | <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> |
| <b>Contact Person:</b>               | Mr. Anil Bhargava  |
| <b>SEBI Registration No.:</b>        | INM000010981   |
| <b>Market Maker Registration No.</b> | SMEMM0024801022013   |

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2009, and its amendments from time to time and the circulars issued by the stock exchange and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).



- 2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of stock exchange and SEBI from time to time.
- 3) The minimum depth of the quote shall be ₹1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that script provided that he sells his entire holding in that script in one lot along with a declaration to the effect to the selling broker.
- 4) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 3000 equity shares; however the same may be changed by the SME Platform of stock exchange from time to time).
- 5) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 6) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification.
- 7) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 8) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 9) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 10) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 11) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 12) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 13) **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin,



Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

- 14) **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

- 15) **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time
- 16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

| Issue Size        | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|-------------------|---|--|
| Up to ₹20 Crore   | 25%   | 24%  |
| ₹ 20 to ₹50 Crore | 20%   | 19%  |
| ₹50 to ₹ 80 Crore | 15%   | 14%  |
| Above ₹80 Crore   | 12%   | 11%  |

- 17) All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.



### CAPITAL STRUCTURE

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in authorized share capital, etc. Hence, this chapter is prepared based on the report of search, conducted by M/s. APAC & Associates LLP, Company Secretaries at Registrar of Companies (ROC), data provided by the management and to the best of information available.*

The Equity Share capital of our Company, as on the date of the Prospectus and after giving effect to this Issue, is set forth below:

Amount (Rs. in Lacs, except share data)

| Sr. No. | Particulars  | Aggregate nominal Value | Aggregate Value at Issue Price |
|---------|--|-------------------------|--------------------------------|
| A       | <b>Authorized Share Capital</b><br>2,50,00,000 Equity Shares having Face Value of Rs 10/- each   | 2500.00                 | -                              |
| B       | <b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b><br>1,84,92,588 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.                                      | 1849.26                 | -                              |
| C       | <b>Present Issue in terms of the Prospectus<sup>^</sup></b><br>64,32,000 Equity Shares having Face Value of ₹10/- each with a premium of ₹ 41.00 per Equity Share.   | 643.20                  | 2637.12                        |
|         | <b>Which Comprises</b>   |                         |                                |
| I.      | <b>Reservation for Market Maker portion</b><br>3,24,000 Equity Shares of Rs. 10/- each at a premium of ₹ 41.00 per Equity Share  | 32.40                   | 132.84                         |
| II.     | <b>Net Issue to the Public</b><br>61,08,000 Equity Shares of Rs.10/- each at a premium of ₹ 41.00 per Equity Share   | 610.80                  | 2504.28                        |
|         | <b>of which</b>  |                         |                                |
|         | 30,54,000 Equity Shares of Rs.10/- each at a premium of ₹ 41.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors applying for a value of up to Rs. 2.00 Lacs | 305.40                  | 1252.14                        |
|         | 30,54,000 Equity Shares of Rs.10/- each at a premium of ₹ 41.00 per Equity Share will be available for allocation for allotment to Other Investors applying for a value of above Rs. 2.00 Lacs             | 305.40                  | 1252.14                        |
| D       | <b>Issued, Subscribed and Paid up Equity Share capital after the Issue</b><br>2,44,24,588 Equity Shares having Face Value of ₹10/- each  | 2442.46                 | -                              |
| E       | <b>Securities Premium Account</b><br>Before the Issue<br>After the Issue   |                         | Nil<br>1838.92                 |

*\*The amount disclosed is prior to deduction of Issue expenses.*

*<sup>^</sup>Fresh Issue and Offer of Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 06, 2017 and by special resolution passed at the Extra Ordinary General Meeting of the members held on July 22, 2017.*

*The offer for sale by Mr. Parveen Gupta, Mr. Rajesh Gupta, Mrs. Rekha Gupta, Mr. Yashpal Gupta, Mr. Sachin Gupta & Mrs. Tripti Gupta ("Selling Shareholders including Promoters") for 5,00,000 authorized by their respective undertaking dated July 06, 2017 and has been authorized pursuant to a resolution of our Board of Directors dated July 06, 2017 and by special resolution passed at the Extra Ordinary General Meeting of the members held on July 22, 2017.*

#### **Class of Shares**

Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

### Details of changes in Authorized Share Capital of our Company:

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

- The initial authorized share capital of our Company was ₹30,00,000 divided into 3,00,000 Equity Shares of ₹10/- each. This authorized capital was increased to ₹1,50,00,000 divided into 15,00,000 Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-ordinary General Meeting held on July 20, 1999.
- The authorized capital of our Company of ₹1,50,00,000 divided into 15,00,000 Equity Shares of ₹10/- each was increased to ₹2,25,00,000 divided into 22,50,000 Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-ordinary General Meeting held March 30, 2001.
- The authorized capital of our Company of ₹2,25,00,000 divided into 22,50,000 Equity Shares of ₹10/- each was increased to ₹4,25,00,000 divided into 42,50,000 Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-ordinary General Meeting held on June 04, 2010.
- The authorized capital of our Company of ₹4,25,00,000 divided into 42,50,000 Equity Shares of ₹10/- each was increased to ₹6,00,00,000 divided into 60,00,000 Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-ordinary General Meeting held on August 06, 2015.
- The authorized capital of our Company of ₹6,00,00,000 divided into 60,00,000 Equity Shares of ₹10/- each was increased to ₹25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-ordinary General Meeting held on July 22, 2017.

### Notes to Capital Structure

#### 1. Equity Share Capital History of our Company:

- The history of the equity share capital and the securities premium account of our company are set out in the following table:-

| Date of Allotment / Date of Fully Paid Up | No. of Equity Shares allotted | Face Value (Rs.) | Issue Price (Rs.) | Nature of Consideration | Nature of Allotment                                | Cumulative No. of Equity Shares | Cumulative Paid Up Share Capital (Rs.) | Cumulative Securities Premium (Rs.) |
|---|-------------------------------|------------------|-------------------|-------------------------|--|---------------------------------|--|-------------------------------------|
| On Incorporation*                         | 3,00,000                      | 10               | 10                | Cash                    | Subscription to MOA <sup>(i)</sup>                 | 3,00,000                        | 30,00,000                              | Nil                                 |
| March 31, 2000                            | 9,08,000                      | 10               | 10                | Cash                    | Further Allotment <sup>(ii)</sup>                  | 12,08,000                       | 1,20,80,000                            | Nil                                 |
| March 31, 2001                            | 8,29,465                      | 10               | 10                | Cash                    | Further Allotment <sup>(iii)</sup>                 | 20,37,465                       | 2,03,74,650                            | Nil                                 |
| June 30, 2010**                           | 18,99,082                     | 10               | 10                | Other than in cash      | Pursuant to Scheme of Amalgamation <sup>(iv)</sup> | 39,36,547                       | 3,93,65,470                            | 53,49,000                           |
| January 24, 2015                          | 3,08,400                      | 10               | 33                | Cash                    | Right Issue <sup>(v)</sup>                         | 42,44,947                       | 4,24,49,470                            | 1,24,42,200                         |
| September 15, 2015                        | 3,78,200                      | 10               | 33                | Cash                    | Right Issue <sup>(vi)</sup>                        | 46,23,147                       | 4,62,31,470                            | 2,11,40,800                         |
| July 22, 2017 ***                         | 1,38,69,441                   | 10               | -                 | -                       | Bonus Issue in the ratio of 3:1 <sup>(vii)</sup>   | 1,84,92,588                     | 18,49,25,880                           | Nil                                 |

\* The Shares was subscribed to Initial Subscriber to Memorandum of Association on July 12, 1994.



**Share India Securities Limited**

\*\*Equity Shares were allotted pursuant to scheme of amalgamation of Share India Securities Limited with FMS Securities Limited which has been approved by Hon'ble High Court of Delhi vide its order dated May 20, 2010.

\*\*\*Bonus issue of 1,38,69,441 equity shares in the ratio of 3:1 dated July 22, 2017 has been issued by Capitalization of Reserve & Surplus of the Company.

^All the above mentioned shares are fully paid up since the date of allotment.

**Notes:**

- (i) **Initial Subscribers to the Memorandum of Association subscribed 3,00,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:**

| S. No. | Names of Person                | Number of Shares Allotted |
|--------|--------------------------------|---------------------------|
| 1.     | Mr. Hukamraj Sajjanraj Kumbhat | 2,69,997                  |
| 2.     | Mr. Kaushal Kumbhat            | 10,000                    |
| 3.     | Mr. Pradip Kumbhat             | 10,000                    |
| 4.     | Mr. Haradhan Saha              | 1                         |
| 5.     | Mr. Laxmi Narain Biyani        | 1                         |
| 6.     | Mrs. Ambika Barua              | 1                         |
| 7.     | Mrs. Indu Kumbhat              | 10,000                    |
|        | <b>Total</b>                   | <b>3,00,000</b>           |

- (ii) **Further allotment of 9,08,000 Equity Shares of Face Value of Rs. 10/- each fully paid:**

| S. No. | Names of Person         | Number of Shares Allotted |
|--------|-------------------------|---------------------------|
| 1.     | Santosh Kumar Goyal     | 57,500                    |
| 2.     | Rekha Gupta             | 25,000                    |
| 3.     | Suman Gupta             | 10,000                    |
| 4.     | Saroj Gupta             | 55,000                    |
| 5.     | Bishwanath Goyal        | 95,000                    |
| 6.     | Manju Goyal             | 110,000                   |
| 7.     | Ritesh Gupta            | 40,000                    |
| 8.     | Santosh kr. Goyal (HUF) | 15,000                    |
| 9.     | Prabhu Dyal Singh       | 9,000                     |
| 10.    | Suresh Kumar Jain       | 12,500                    |
| 11.    | Ram Kishan              | 10,000                    |
| 12.    | Rakesh Jain             | 9,000                     |
| 13.    | Rajesh Kumar Gupta      | 12,000                    |
| 14.    | Krishan Kumar           | 12,000                    |
| 15.    | Jagadish Aggarwal       | 10,500                    |
| 16.    | Ashok Kumar Aggarwal    | 6,000                     |
| 17.    | Prakash Chand Aggarwal  | 10,500                    |
| 18.    | Praveen Jain            | 15,000                    |
| 19.    | Vijendra Gupta          | 14,500                    |
| 20.    | Ram Singh               | 13,500                    |
| 21.    | Sushil Kumar Jain       | 7,000                     |
| 22.    | Manoj Kumar Acharya     | 6,000                     |
| 23.    | Suresh Kumar            | 8,000                     |
| 24.    | Radha Mohan             | 7,000                     |
| 25.    | Rakesh Kumar            | 8,000                     |
| 26.    | Babu Ram                | 9,500                     |
| 27.    | Mangal Chand Aggarwal   | 10,500                    |
| 28.    | Suresh Kumar Aggarwal   | 11,000                    |
| 29.    | Vijendra Kumar          | 10,500                    |
| 30.    | Surya Prakash           | 8,500                     |
| 31.    | Rajesh Gupta            | 10,500                    |
| 32.    | Anita Chopra            | 10,000                    |
| 33.    | Rajesh Kumar            | 9,500                     |
| 34.    | Roshan Lal              | 5,000                     |



|     |                      |                 |
|-----|----------------------|-----------------|
| 35. | Mange Ram Gupta      | 6,500           |
| 36. | Hanuman Prasad       | 7,000           |
| 37. | Ram Vilas Jain       | 6,500           |
| 38. | Shiv Lal             | 7,000           |
| 39. | Naresh Kumar         | 8,000           |
| 40. | Narender Kumar Gupta | 11,000          |
| 41. | Ashok Kumar Aggarwal | 9,000           |
| 42. | Ram Gopal Aggarwal   | 10,000          |
| 43. | Jyotsna Bansal       | 30,000          |
| 44. | S P Kohli            | 30,000          |
| 45. | Salil Mahajan        | 30,000          |
| 46. | Munish Kedia         | 30,000          |
| 47. | Kishan Aggarwal      | 30,000          |
| 48. | Ashok Kumar Aggarwal | 30,000          |
|     | <b>Total</b>         | <b>9,08,000</b> |

(iii) Further allotment of 8,29,465 Equity Shares of Face Value of Rs. 10/- each fully paid:

| S. No. | Names of Person     | Number of Shares Allotted |
|--------|---------------------|---------------------------|
| 1.     | Rajesh Kumar        | 29,685                    |
| 2.     | Sachin Gupta        | 20,800                    |
| 3.     | Rekha Gupta         | 14,800                    |
| 4.     | Suman Gupta         | 74,200                    |
| 5.     | Santosh Kumar Goyal | 35,000                    |
| 6.     | Neeraj Jain         | 17,000                    |
| 7.     | Rakesh Jain         | 30,000                    |
| 8.     | Nitin               | 15,000                    |
| 9.     | Ram Singh           | 15,000                    |
| 10.    | Rohin Gupta         | 20,928                    |
| 11.    | Vijay Kumar         | 13,952                    |
| 12.    | Rachit Gupta        | 27,700                    |
| 13.    | Saurabh Gupta       | 27,700                    |
| 14.    | Mrs. Shashi Gupta   | 29,700                    |
| 15.    | Sushil Kumar        | 30,000                    |
| 16.    | Aruna Goyal         | 10,000                    |
| 17.    | Kesar Devi Goyal    | 15,000                    |
| 18.    | Alok Porwal         | 20,000                    |
| 19.    | Anil Kumar Prachar  | 15,000                    |
| 20.    | Ashok Vindal        | 15,000                    |
| 21.    | Ashwani Kumar       | 6,000                     |
| 22.    | Deepak Gupta        | 15,000                    |
| 23.    | Gyan Chand Goyal    | 15,000                    |
| 24.    | Hari Mohan Govil    | 20,000                    |
| 25.    | Mahavir Jain        | 15,000                    |
| 26.    | Milap Chand         | 18,000                    |
| 27.    | Nikhlesh Jain       | 20,000                    |
| 28.    | Om Prakash          | 20,000                    |
| 29.    | Rajinder Kumar      | 6,000                     |
| 30.    | Renu Kapoor         | 16,000                    |
| 31.    | Rocky Jain          | 16,500                    |
| 32.    | Sachin              | 10,000                    |
| 33.    | Sandeep Aggarwal    | 29,500                    |
| 34.    | Satish Porwal       | 20,000                    |
| 35.    | Shashi Bala Jain    | 15,000                    |
| 36.    | Shashi Kant Gupta   | 15,000                    |
| 37.    | Sonia Jain          | 18,000                    |
| 38.    | Subhash Jain        | 15,000                    |
| 39.    | Sunil Kumar Prachar | 15,000                    |



|     |                    |                 |
|-----|--------------------|-----------------|
| 40. | Vikas Shourie      | 6,000           |
| 41. | Vinod Kumar        | 6,000           |
| 42. | Vinod Sharma       | 6,000           |
| 43. | Vipin Kumar Tiwari | 20,000          |
| 44. | Rajesh Kumar       | 10,000          |
|     | <b>Total</b>       | <b>8,29,465</b> |

- (iv) Pursuant to Scheme of Amalgamation, Allotment of 18,99,082 Equity Shares of Face Value of Rs. 10/- each fully paid:

| S. No. | Names of Person   | Number of Shares Allotted |
|--------|-------------------|---------------------------|
| 1.     | Mr. Rajesh Kumar  | 5,55,482                  |
| 2.     | Mr. Parveen Gupta | 2,22,550                  |
| 3.     | Mr. Yashpal Gupta | 2,61,950                  |
| 4.     | Mrs. Suman Gupta  | 82,500                    |
| 5.     | Mrs. Saroj Gupta  | 1,42,500                  |
| 6.     | Mr. Ritesh Gupta  | 1,00,000                  |
| 7.     | Mr. Saurabh Gupta | 15,000                    |
| 8.     | Mr. Sachin Gupta  | 2,48,300                  |
| 9.     | Mr. Rohin Gupta   | 15,000                    |
| 10.    | Mrs. Rekha Gupta  | 2,55,800                  |
|        | <b>Total</b>      | <b>18,99,082</b>          |

- (v) Right Issue in ratio of 1 Equity Share for every 12 Equity Shares held as on Record Date January 02, 2015. The details of Equity Shares Offered, Received, Renounced and Subscribed by the existing shareholders is as under:-

| Name of the Shareholder's | Equity Shares offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Share Has subscribed | Lapse of Equity Shares* | Equity Shares Issued | Remarks  |
|---------------------------|-----------------------|-------------------------------------|------------------------------|-----------------------------|-------------------------|----------------------|--|
| Mr. Parveen Gupta         | 32050                 | -                                   | 32050                        | 32700                       | -----                   | 32700                | Mr. Parveen Gupta has subscribed to 32700 Equity Shares.                     |
| Mr. Rohin Gupta           | 23827                 | -                                   | 23827                        | 44900                       | -----                   | 44900                | Mr. Rohin Gupta has subscribed to 44900 Equity Shares.                       |
| Mr. Saurabh Gupta         | 24934                 | -                                   | 24934                        | 39400                       | -----                   | 39400                | Mr. Saurabh Gupta has subscribed to 39400 Equity Shares.                     |
| Mrs. Suman Gupta          | 25808                 | (21300)                             | 4508                         | -----                       | 4508                    | Nil                  | Mrs. Suman Gupta has renounced her 21300 Equity Shares to Parveen Gupta HUF. |
| Mr. Agam Gupta            | 11750                 | -                                   | 11750                        | -----                       | 11750                   | Nil                  | Mr. Agam Gupta has neither renounced nor subscribed to                       |



|                    |       |         |       |       |       |       |   |
|--------------------|-------|---------|-------|-------|-------|-------|---|
|                    |       |         |       |       |       |       | the Equity Shares.  |
| Mr. Rachit Gupta   | 31475 | -       | 31475 | 36900 | ----- | 36900 | Mr. Rachit Gupta has subscribed to 36900 Equity Shares.   |
| Mr. Rajesh Gupta   | 31676 | (20000) | 11676 | ----- | 11676 | Nil   | Mr. Rajesh Gupta has renounced her 20000 Equity Shares to Rajesh Kumar HUF.                                     |
| Mrs. Rekha Gupta   | 31716 | (19512) | 12204 | ----- | 12204 | Nil   | Mrs. Rekha Gupta has renounced her 19512 Equity Shares to Sachin Gupta HUF.                                     |
| Mr. Sachin Gupta   | 24092 | (22588) | 1504  | ----- | 1504  | Nil   | Mr. Sachin Gupta has renounced his 22588 Equity Shares to Sachin Gupta HUF.                                     |
| Mrs. Saroj Gupta   | 23625 | -       | 23625 | 11200 | 12425 | 11200 | Mrs. Saroj Gupta has subscribed to 11200 Equity Shares.   |
| Mrs. Tripti Gupta  | 27117 | -       | 27117 | 31500 | ----- | 31500 | Mrs. Tripti Gupta has subscribed to 31500 Equity Shares.  |
| Mr. Yash Pal Gupta | 31788 | (17200) | 14588 | 11200 | 3388  | 11200 | Mr. Yash Pal Gupta has renounced his 17200 Equity Shares to Yash Pal HUF and subscribed to 11200 Equity Shares. |
| Smt. Subhash Rani  | 3267  | -       | 3267  | ----- | 3267  | Nil   | Smt Subhash Rani has neither renounced and subscribed to the Equity Shares.                                     |
| Mrs. Rani Gupta    | 1640  | -       | 1640  | ----- | 1640  | Nil   | Mrs. Rani Gupta has neither renounced and subscribed to the Equity  |





|                      |       |       |       |       |       |       |  |
|----------------------|-------|-------|-------|-------|-------|-------|--|
|                      |       |       |       |       |       |       | Shares.  |
| Mr. Vikas Aggarwal   | 1640  | -     | 1640  | ----- | 1640  | Nil   | Mr. Vikas Aggarwal has neither renounced and subscribed to the Equity Shares.  |
| Mr. Vijay Kumar Rana | 1640  | -     | 1640  | ----- | 1640  | Nil   | Mr. Vijay Kumar Rana has neither renounced and subscribed to the Equity Shares.  |
| Parveen Gupta HUF    | ----- | 21300 | 21300 | 21300 | ----- | 21300 | Parveen Gupta HUF has received renounced 21300 Equity Shares from Mrs. Suman Gupta   |
| Sachin Gupta HUF     | ----- | 42100 | 42100 | 42100 | ----- | 42100 | Sachin Gupta HUF has received renounced 19512 Equity Shares and 22588 Equity Shares from Mrs. Rekha Gupta and Mr. Sachin Gupta respectively. |
| Yash Pal HUF         | ----- | 17200 | 17200 | 17200 | ----- | 17200 | Yash Pal HUF has received renounced 17200 Equity Shares from Mr. Yash Pal Gupta.   |
| Rajesh Kumar HUF     | ----- | 20000 | 20000 | 20000 | ----- | 20000 | Rajesh Kumar HUF has received renounced 20000 Equity Shares from Mr. Rajesh Gupta  |

*\*Some of the Equity shares lapsed have been allotted by the company to the shareholders who have applied for additional number of share above their entitlement.*

**Further allotment of 308400 Equity Shares of face value of Rs. 10/- each fully paid:**

| S. No. | Names of Person   | Number of Shares Allotted |
|--------|-------------------|---------------------------|
| 1.     | Mr. Parveen Gupta | 32,700                    |
| 2.     | Mr. Rachit Gupta  | 36,900                    |
| 3.     | Mr. Rohin Gupta   | 44,900                    |
| 4.     | Mrs. Saroj Gupta  | 11,200                    |



|     |                   |                 |
|-----|-------------------|-----------------|
| 5.  | Mr. Saurabh Gupta | 39,400          |
| 6.  | Mrs. Tripti Gupta | 31,500          |
| 7.  | Mr. YashPal Gupta | 11,200          |
| 8.  | Parveen Gupta HUF | 21,300          |
| 9.  | Sachin Gupta HUF  | 42,100          |
| 10  | YashPal HUF       | 17,200          |
| 11. | Rajesh Kumar HUF  | 20,000          |
|     | <b>Total</b>      | <b>3,08,400</b> |

(vi) Right Issue in ratio of 1 Equity Share for every 11 Equity Shares held as on Record Date August 25, 2015. The details of Equity Shares Offered, Received, Renounced and Subscribed by the existing shareholders is as under:-

| Name of the Shareholder's | Equity Shares offered | Equity Shares Received/ (Renounced) | Net Balance of Equity Shares | Equity Share Has subscribed | Lapse of Equity Shares* | Equity Shares issued | Remarks   |
|---------------------------|-----------------------|-------------------------------------|------------------------------|-----------------------------|-------------------------|----------------------|---|
| Mr. Parveen Gupta         | 37936                 | -----                               | 37936                        | 41000                       | -----                   | 41000                | Mr. Parveen Gupta has subscribed to 41000 Equity Shares.  |
| Mr. Rohin Gupta           | 30075                 | -----                               | 30075                        | -----                       | 30075                   | Nil                  | Mr. Rohin Gupta has neither renounced nor subscribed to the Equity Shares.  |
| Mr. Saurabh Gupta         | 30782                 | (5800)                              | 24982                        | 2500                        | 22482                   | 2500                 | Mr. Saurabh Gupta has Renounced 5800 Equity shares to Mrs. Prerna Gupta and has subscribed to 2500 Equity Shares. |
| Mrs. Suman Gupta          | 28155                 | -----                               | 28155                        | 10800                       | 17355                   | 10800                | Mrs. Suman Gupta has subscribed to 10800 Equity Shares.   |
| Mr. Agam Gupta            | 12818                 | -----                               | 12818                        | 10700                       | 2118                    | 10700                | Mr. Agam Gupta has subscribed to 10700 Equity Shares.   |
| Mr. Rachit Gupta          | 37691                 | -----                               | 37691                        | -----                       | 37691                   | Nil                  | Mr. Rachit Gupta has neither renounced nor subscribed to the Equity Shares.                                       |
| Mr. Rajesh Gupta          | 34556                 | -----                               | 34556                        | 116400                      | -----                   | 116400               | Mr. Rajesh Gupta has subscribed to 116400 Equity Shares.  |
| Mrs. Rekha Gupta          | 34600                 | -----                               | 34600                        | 44500                       | -----                   | 44500                | Mrs. Rekha Gupta has  |



|                      |       |       |       |        |       |        |   |
|----------------------|-------|-------|-------|--------|-------|--------|---|
|                      |       |       |       |        |       |        | subscribed to 44500 Equity Shares.  |
| Mr. Sachin Gupta     | 26282 | ----- | 26282 | 1700   | 24582 | 1700   | Mr. Sachin Gupta has subscribed to 1700 Equity Shares.                          |
| Mrs. Saroj Gupta     | 26791 | ----- | 26791 | 138700 | ----- | 138700 | Mrs. Saroj Gupta has subscribed to 138700 Equity Shares                         |
| Mrs. Tripti Gupta    | 32445 | ----- | 32445 | -----  | ----- | Nil    | Mrs. Tripti Gupta has neither renounced nor subscribed to the Equity Shares.    |
| Mr. Yashpal Gupta    | 35695 | ----- | 35695 | -----  | ----- | Nil    | Mr. Yash Pal Gupta has neither renounced nor subscribed to the Equity Shares.   |
| Smt. Subhash Rani    | 3564  | ----- | 3564  | -----  | ----- | Nil    | Smt. Subhash Rani has neither renounced nor subscribed to the Equity Shares.    |
| Mrs. Rani Gupta      | 1789  | ----- | 1789  | -----  | ----- | Nil    | Mrs. Rani Gupta has neither renounced nor subscribed to the Equity Shares.      |
| Mr. Vikas Aggarwal   | 1789  | ----- | 1789  | -----  | ----- | Nil    | Mr. Vikas Aggarwal has neither renounced nor subscribed to the Equity Shares.   |
| Mr. Vijay Kumar Rana | 1789  | ----- | 1789  | -----  | ----- | Nil    | Mr. Vijay Kumar Rana has neither renounced nor subscribed to the Equity Shares. |
| Parveen Gupta HUF    | 1936  | ----- | 1936  | -----  | ----- | Nil    | Parveen gupta HUF has neither renounced nor subscribed to the Equity Shares.    |
| Sachin Gupta HUF     | 3827  | ----- | 3827  | 1200   | 2627  | 1200   | Sachin Gupta HUF has subscribed to 1200 Equity Shares                           |
| Yash Pal HUF         | 1564  | ----- | 1564  | 2500   | ----- | 2500   | Yash Pal Gupta HUF has subscribed to 2500 Equity Shares.                        |



|                   |       |       |      |      |       |      |   |
|-------------------|-------|-------|------|------|-------|------|---|
| Rajesh Kumar HUF  | 1818  | ----- | 1818 | 2400 | ----- | 2400 | Rajesh Kumar HUF has subscribed to 2400 Equity Shares.                              |
| Mrs. Prerna Gupta | ----- | 5800  | 5800 | 5800 | ----- | 5800 | Mrs. Prerna Gupta has received renounced 5800 Equity Shares from Mr. Saurabh Gupta. |

*\*Some of the Equity shares lapsed has been allotted by the company to the shareholders who have applied for additional number of share above their entitlement.*

**Further allotment of 3,78,200 Equity Shares of Face Value of Rs. 10/- each fully paid:**

| S. No. | Names of Person   | Number of Shares Allotted |
|--------|-------------------|---------------------------|
| 1.     | Mr. Parveen Gupta | 41,000                    |
| 2.     | Mrs. Prerna Gupta | 5,800                     |
| 3.     | Mr. Saurabh Gupta | 2,500                     |
| 4.     | Mrs. Suman Gupta  | 10,800                    |
| 5.     | Mr. Agam Gupta    | 10,700                    |
| 6.     | Mr. Rajesh Gupta  | 1,16,400                  |
| 7.     | Rajesh Kumar HUF  | 2,400                     |
| 8.     | Mrs. Rekha Gupta  | 44,500                    |
| 9.     | Mr. Sachin Gupta  | 1,700                     |
| 10.    | Sachin Gupta HUF  | 1,200                     |
| 11.    | Mrs. Saroj Gupta  | 1,38,700                  |
| 12.    | Yash Pal HUF      | 2,500                     |
|        | <b>Total</b>      | <b>3,78,200</b>           |

(vii) **Bonus allotment of 1,38,69,441 Equity Shares of Face Value of Rs. 10/- each fully paid in the ration 3:1 i.e. 3 Bonus Equity Shares for every 1 Equity Shares held**

| S. No. | Names of Person   | Number of Shares Allotted |
|--------|-------------------|---------------------------|
| 1.     | Parveen Gupta     | 1,374,900                 |
| 2.     | Rajesh Gupta      | 1,489,551                 |
| 3.     | Yash Pal Gupta    | 1,177,950                 |
| 4.     | Sachin Gupta      | 872,400                   |
| 5.     | Rekha Gupta       | 1,275,291                 |
| 6.     | Suman Gupta       | 961,500                   |
| 7.     | Saroj Gupta       | 1,300,200                 |
| 8.     | Rohin Gupta       | 9,92,484                  |
| 9.     | Rachit Gupta      | 1,243,800                 |
| 10.    | Saurabh Gupta     | 1,023,309                 |
| 11.    | Subhash Rani      | 117,612                   |
| 12.    | Tripti Gupta      | 1,070,700                 |
| 13.    | Agam Gupta        | 4,55,100                  |
| 14.    | Vijay Kumar Rana  | 59,049                    |
| 15.    | Vikas Aggarwal    | 59,049                    |
| 16.    | Rani Gupta        | 59,046                    |
| 17.    | Parveen Gupta HUF | 63,900                    |
| 18.    | Sachin Gupta HUF  | 129,900                   |
| 19.    | Yash Pal HUF      | 59,100                    |
| 20.    | Rajesh Kumar HUF  | 67,200                    |
| 21.    | Prerna Gupta      | 17,400                    |
|        | <b>Total</b>      | <b>1,38,69,441</b>        |



b) As on the date of the Prospectus, our Company does not have any preference share capital.

## 2. Issue of Equity Shares for consideration other than cash

Save and Except as set out below we have not issued any Equity Shares for consideration other than cash:

| Date of the allotment | No. of Equity shares allotted | Face Value (₹) | Issue Price (₹) | Reasons for allotment   | Benefit Accrued to our Company  | Allottees         | No. of Shares Allotted |
|-----------------------|-------------------------------|----------------|-----------------|---|---|-------------------|------------------------|
| June 30, 2010         | 18,99,082                     | 10             | NIL             | pursuant to scheme of amalgamation which has been approved by Hon'ble High Court of Delhi vide its order dated May 20, 2010 | The amalgamation helped the Company to expand its business operations and broaden its capital base. | Mr. Rajesh Kumar  | 5,55,482               |
|                       |                               |                |                 |   |   | Mr. Parveen Gupta | 2,22,550               |
|                       |                               |                |                 |   |   | Mr. YashPal Gupta | 2,61,950               |
|                       |                               |                |                 |   |   | Mrs. Suman Gupta  | 82,500                 |
|                       |                               |                |                 |   |   | Mrs. Saroj Gupta  | 1,42,500               |
|                       |                               |                |                 |   |   | Mr. Ritesh Gupta  | 1,00,000               |
|                       |                               |                |                 |   |   | Mr. Saurabh Gupta | 15,000                 |
|                       |                               |                |                 |   |   | Mr. Sachin Gupta  | 2,48,300               |
|                       |                               |                |                 |   |   | Mr. Rohin Gupta   | 15,000                 |
|                       |                               |                |                 |   |   | Mrs. Rekha Gupta  | 2,55,800               |
|                       |                               |                |                 |   |   | <b>Total</b>      | <b>18,99,082</b>       |
| July 22, 2017         | 1,38,69,441                   | 10             | NIL             | Bonus Issue of equity shares in the ratio of 3:1 by way of capitalization of Reserves & Surplus of 13,86,94,410/-           | Expansion of Capital  | Parveen Gupta     | 1,374,900              |
|                       |                               |                |                 |   |   | Rajesh Gupta      | 1,489,551              |
|                       |                               |                |                 |   |   | Yash Pal Gupta    | 1,177,950              |
|                       |                               |                |                 |   |   | Sachin Gupta      | 872,400                |
|                       |                               |                |                 |   |   | Rekha Gupta       | 1,275,291              |
|                       |                               |                |                 |   |   | Suman Gupta       | 961,500                |
|                       |                               |                |                 |   |   | Saroj Gupta       | 1,300,200              |
|                       |                               |                |                 |   |   | Rohin Gupta       | 9,92,484               |
|                       |                               |                |                 |   |   | Rachit Gupta      | 1,243,800              |
|                       |                               |                |                 |   |   | Saurabh Gupta     | 1,023,309              |
|                       |                               |                |                 |   |   | Subhash Rani      | 117,612                |
|                       |                               |                |                 |   |   | Tripti Gupta      | 1,070,700              |
|                       |                               |                |                 |   |   | Agam Gupta        | 4,55,100               |
|                       |                               |                |                 |   |   | Vijay Kumar Rana  | 59,049                 |
|                       |                               |                |                 |   |   | Vikas Aggarwal    | 59,049                 |
|                       |                               |                |                 |   |   | Rani Gupta        | 59,046                 |
|                       |                               |                |                 |   |   | Parveen Gupta HUF | 63,900                 |
|                       |                               |                |                 |   |   | Sachin Gupta HUF  | 1,29,900               |
|                       |                               |                |                 |   |   | Yash Pal HUF      | 59,100                 |
| Rajesh Kumar HUF      | 67,200                        |                |                 |   |   |                   |                        |
| Perna Gupta           | 17,400                        |                |                 |   |   |                   |                        |
| <b>Total</b>          | <b>1,38,69,441</b>            |                |                 |   |   |                   |                        |



### 3. Details of Allotment made in the last two years preceding the date of the Prospectus:

Except as mentioned in point 1 (a) (vi) & (vii) above, we have not issued any Equity Shares in the last two years preceding the date of the Prospectus.

### 4. Except as mentioned below, no Equity Shares have been allotted pursuant to any scheme approved under Section 230-233 of the Companies Act, 2013 or Section 391-394 of the Companies Act, 1956:

Pursuant to scheme of amalgamation under section 391-394 of Companies Act, 1956 of Share India Securities Limited with FMS Securities Limited which has been approved by Hon'ble High Court of Delhi vide its order dated May 20, 2010. Brief details of the same are as follows:

| Date of the allotment | No. of Equity shares allotted | Face Value (₹) | Issue Price (₹) | Allotters         | No. of Shares Allotted |
|-----------------------|-------------------------------|----------------|-----------------|-------------------|------------------------|
| June 30, 2010         | 18,99,082                     | 10             | NIL             | Mr. Rajesh Kumar  | 5,55,482               |
|                       |                               |                |                 | Mr. Parveen Gupta | 2,22,550               |
|                       |                               |                |                 | Mr. Yashpal Gupta | 2,61,950               |
|                       |                               |                |                 | Mrs. Suman Gupta  | 82,500                 |
|                       |                               |                |                 | Mrs. Saroj Gupta  | 1,42,500               |
|                       |                               |                |                 | Mr. Ritesh Gupta  | 1,00,000               |
|                       |                               |                |                 | Mr. Saurabh Gupta | 15,000                 |
|                       |                               |                |                 | Mr. Sachin Gupta  | 2,48,300               |
|                       |                               |                |                 | Mr. Rohin Gupta   | 15,000                 |
|                       |                               |                |                 | Mrs. Rekha Gupta  | 2,55,800               |
|                       |                               |                |                 | <b>Total</b>      | <b>18,99,082</b>       |

5. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

6. Except as mentioned below, no Equity Shares have been issued which may be at price below the Issue Price within last one year from the date of the Prospectus.

| Date of Allotment | Allottees      | No. of Equity Shares Allotted | Face Value (in ₹) | Issue Price (in ₹) | Reason for Allotment | Category of Allottees |
|-------------------|----------------|-------------------------------|-------------------|--------------------|----------------------|-----------------------|
| July 22, 2017     | Parveen Gupta  | 1,374,900                     | 10.00             | --                 | Bonus Issue          | Promoter              |
|                   | Rajesh r Gupta | 1,489,551                     |                   |                    |                      | Promoter              |
|                   | Yash Pal Gupta | 1,177,950                     |                   |                    |                      | Promoter              |
|                   | Sachin Gupta   | 872,400                       |                   |                    |                      | Promoter              |
|                   | Rekha Gupta    | 1,275,291                     |                   |                    |                      | Promoter Group        |
|                   | Suman Gupta    | 961,500                       |                   |                    |                      | Promoter Group        |
|                   | Saroj Gupta    | 1,300,200                     |                   |                    |                      | Promoter Group        |
|                   | Rohin Gupta    | 9,92,484                      |                   |                    |                      | Promoter Group        |
|                   | Rachit Gupta   | 1,243,800                     |                   |                    |                      | Promoter Group        |
|                   | Saurabh Gupta  | 1,023,309                     |                   |                    |                      | Promoter Group        |
|                   | Subhash Rani   | 117,612                       |                   |                    |                      | Promoter Group        |
|                   | Tripti Gupta   | 1,070,700                     |                   |                    |                      | Promoter Group        |
|                   | Agam Gupta     | 4,55,100                      |                   |                    |                      | Promoter Group        |





|  |                   |          |  |  |  |                |
|--|-------------------|----------|--|--|--|----------------|
|  | Vijay Kumar Rana  | 59,049   |  |  |  | Public         |
|  | Vikas Aggarwal    | 59,049   |  |  |  | Public         |
|  | Rani Gupta        | 59046    |  |  |  | Public         |
|  | Parveen Gupta HUF | 63900    |  |  |  | Promoter Group |
|  | Sachin Gupta HUF  | 1,29,900 |  |  |  | Promoter Group |
|  | Yash Pal HUF      | 59,100   |  |  |  | Promoter Group |
|  | Rajesh Kumar HUF  | 67, 200  |  |  |  | Promoter Group |
|  | Prerna Gupta      | 17,400   |  |  |  | Promoter Group |

### 7. Capital Build up in respect of shareholding of our Promoters:

As on date of the Prospectus, our promoters Mr. Rajesh Gupta , Mr. Sachin Gupta, Mr. Yash Pal Gupta and Mr. Parveen Gupta holds 19,86,068, 11,63,200, 15,70,600 and 18,33,200 Equity Shares respectively of our Company. None of the Equity Shares held by our Promoters are not subject to any pledge.

| Date of Allotment and made fully paid up /transfer | Nature of Issue   | No. of Equity Shares | Face Value Per Share (₹) | Issue /Acquisition/ Transfer Price per Equity Share (₹) | Pre-Issue Share holding % | Post-Issue Share holding % | Lock in Period | Source of Funds |
|--|---|----------------------|--------------------------|---|---------------------------|----------------------------|----------------|-----------------|
| <b>Mr. Rajesh Gupta</b>                            |   |                      |                          |   |                           |                            |                |                 |
| January 18,2000                                    | Acquisition of Shares by way of Transfer <sup>(i)</sup>   | 20,000               | 10                       | 10  | 0.11                      | 0.08                       | --             | Own Fund        |
| March 31, 2001                                     | Allotment   | 29,685               | 10                       | 10  | 0.16                      | 0.12                       | --             | Own Fund        |
| February 28,2007                                   | Acquisition of Shares by way of Transfer <sup>(ii)</sup>  | 50,500               | 10                       | 10  | 0.27                      | 0.21                       | --             | Own Fund        |
| June 25, 2008                                      | Acquisition of Shares by way of Transfer <sup>(iii)</sup> | 74,450               | 10                       | 10  | 0.40                      | 0.30                       | --             | Own Fund        |
| June 30, 2010                                      | Allotment (Pursuant to Amalgamation)                      | 1,75,365<br>3,80,117 | 10                       | --  | 3.00                      | 2.27                       | --<br>1 Year   | --              |
| September 29, 2013                                 | Transfer <sup>(iv)</sup>                                  | (3,50,000)           | 10                       | --  | (1.89)                    | (1.43)                     | --             | --              |
| September 15, 2015                                 | Allotment   | 75,000<br>41,400     | 10                       | 33  | 0.63                      | 0.48                       | OFS<br>1 Year  | Own Fund        |
| July 22, 2017                                      | Bonus   | 14,89,551            | 10                       | --  | 8.05                      | 6.10                       | 3 Years        | --              |
| <b>Total (A)</b>                                   |   | <b>19,86,068</b>     |                          |   | <b>10.74</b>              |                            |                |                 |
| <b>Mr. Sachin Gupta</b>                            |   |                      |                          |   |                           |                            |                |                 |
| January 18, 2000                                   | Acquisition of Shares by way of Transfer <sup>(v)</sup>   | 20,000               | 10                       | 10  | 0.11                      | 0.08                       | 1 Year         | Own Fund        |
| March 31, 2001                                     | Allotment   | 20,800               | 10                       | 10  | 0.11                      | 0.08                       | 1 Year         | Own Fund        |
| June 30, 2010                                      | Allotment (Pursuant to Amalgamation)                      | 1,00,000<br>1,00,000 | 10                       | --  | 1.34                      | 1.02                       | OFS<br>3 years | --              |



|                              |  |                  |    |    |             |        |         |          |
|------------------------------|--|------------------|----|----|-------------|--------|---------|----------|
|                              |  | 48,300           |    |    |             |        | 1 Year  |          |
| September 15, 2015           | Allotment  | 1,700            | 10 | 33 | 0.01        | 0.01   | 1 Year  | Own Fund |
| July 22, 2017                | Bonus  | 8,72,400         | 10 | -- | 4.72        | 3.57   | 3 years | --       |
| <b>Total (B)</b>             |  | <b>11,63,200</b> |    |    | <b>6.29</b> |        |         |          |
| <b>Mr. Yashpal Gupta</b>     |  |                  |    |    |             |        |         |          |
| January 18, 2000             | Acquisition of Shares by way of Transfer <sup>(vi)</sup>   | 80,000           | 10 | 10 | 0.43        | 0.33   | --      | Own Fund |
| February 28, 2007            | Acquisition of Shares by way of Transfer <sup>(vii)</sup>  | 5,000            | 10 | 10 | 0.62        | 0.47   | --      | Own Fund |
|                              |  | 10,000           |    |    |             |        | 1 year  |          |
|                              |  | 1,00,000         |    |    |             |        | OFS     |          |
| June 25, 2008                | Acquisition of Shares by way of Transfer <sup>(viii)</sup> | 9500             | 10 | 10 | 0.05        | 0.04   | 1 Year  | Own Fund |
| June 30, 2010                | Allotment (Pursuant to Amalgamation)                       | 2,61,950         | 10 | -- | 1.42        | 1.07   | 1 Year  | --       |
| September 29, 2013           | Transfer <sup>(ix)</sup>                                   | (85,000)         | 10 | -- | (0.46)      | (0.35) | --      | --       |
| January 24, 2015             | Allotment  | 11,200           | 10 | 33 | 0.06        | 0.05   | 1 Year  | Own Fund |
| July 22, 2017                | Bonus  | 11,77,950        | 10 | -- | 6.37        | 4.82   | 3 years | --       |
| <b>Total (C)</b>             |  | <b>15,70,600</b> |    |    | <b>8.49</b> |        |         |          |
| <b>Mr. Parveen Gupta</b>     |  |                  |    |    |             |        |         |          |
| January 18, 2000             | Acquisition of Shares by way of Transfer <sup>(x)</sup>    | 50,000           | 10 | 10 | 0.27        | 0.20   | --      | Own Fund |
| February 28, 2007            | Acquisition of Shares by way of Transfer <sup>(xi)</sup>   | 97,000           | 10 | 10 | 0.52        | 0.40   | --      | Own Fund |
| June 25, 2008                | Acquisition of Shares by way of Transfer <sup>(xii)</sup>  | 1,48,050         | 10 | 10 | 0.80        | 0.61   | --      | Own Fund |
| September 16, 2008           | Acquisition of Shares by way of Transfer <sup>(xiii)</sup> | 4,950            | 10 | 10 | 0.90        | 0.68   | --      | Own Fund |
|                              |  | 1,62,050         |    |    |             |        | 1 Year  |          |
| June 30, 2010                | Allotment (Pursuant to Amalgamation)                       | 2,22,550         | 10 | -- | 1.20        | 0.91   | 1 year  | --       |
| September 29, 2013           | Transfer <sup>(xiv)</sup>                                  | (3,00,000)       | 10 | -- | (1.62)      | (1.23) | --      | --       |
| January 24, 2015             | Allotment  | 23,700           | 10 | 33 | 0.18        | 0.13   | 1 year  | Own Fund |
|                              |  | 9000             |    |    |             |        | OFS     |          |
| September 15, 2015           | Allotment  | 41,000           | 10 | 33 | 0.22        | 0.17   | OFS     | Own Fund |
| July 22, 2017                | Bonus  | 13,74,900        | 10 | -- | 7.43        | 5.63   | 3 years | --       |
| <b>Total (D)</b>             |  | <b>18,33,200</b> |    |    | <b>9.91</b> |        |         |          |
| <b>Grand Total (A+B+C+D)</b> |  | <b>65,53,068</b> |    |    |             |        |         |          |

(i) Details of Acquisition of Share by Mr. Rajesh Gupta dated January 18, 2000:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 18.01.2000       | H.S Kumbhat        | 20,000                | Rajesh Gupta       |

(ii) Details of Acquisition of Share by Mr. Rajesh Gupta dated February 28, 2007:



| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 28.02.2007       | Ram Gopal Aggarwal | 5,500                 | Rajesh Gupta       |
| 2      | 28.02.2007       | Rakesh Jain        | 30,000                | Rajesh Gupta       |
| 3      | 28.02.2007       | Ram Singh          | 15,000                | Rajesh Gupta       |
|        |                  | <b>Total</b>       | <b>50,500</b>         |                    |

## (iii) Details of Acquisition of Share by Mr. Rajesh Gupta dated June 25, 2008:

| S. No. | Date of Transfer | Name of Transferor  | No. of Share Transfer | Name of Transferee |
|--------|------------------|---------------------|-----------------------|--------------------|
| 1      | 25.06.2008       | Santosh Kumar Goyal | 74,450                | Rajesh Gupta       |
|        |                  | <b>Total</b>        | <b>74,450</b>         |                    |

## (iv) Details of Transfer by Mr. Rajesh Gupta dated September 29, 2013:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 29.09.2013       | Rajesh Gupta       | 3,50,000              | Rachit Gupta       |
|        |                  | <b>Total</b>       | <b>3,50,000</b>       |                    |

## (v) Details of Acquisition of Share by Mr. Sachin Gupta dated January 18, 2000:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 18.01.2000       | H.S. Kumbhat       | 20,000                | Sachin Gupta       |
|        |                  | <b>Total</b>       | <b>20,000</b>         |                    |

## (vi) Details of Acquisition of Share by Mr. Yash Pal Gupta dated January 18, 2000:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 18.01.2000       | H.S. Kumbhat       | 70,000                | Yash Pal Gupta     |
| 2      | 18.01.2000       | Pradip Kumbhat     | 10,000                | Yash Pal Gupta     |
|        |                  | <b>Total</b>       | <b>80,000</b>         |                    |

## (vii) Details of Acquisition of Share by Mr. Yash Pal Gupta dated February 28, 2007:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 28.02.2007       | S.P. Kohli         | 30,000                | Yash Pal Gupta     |
| 2      | 28.02.2007       | Alok Porwal        | 20,000                | Yash Pal Gupta     |
| 3      | 28.02.2007       | Ashok Vindal       | 15,000                | Yash Pal Gupta     |
| 4      | 28.02.2007       | Deepak Gupta       | 15,000                | Yash Pal Gupta     |
| 5      | 28.02.2007       | Gyan Chand Goyal   | 15,000                | Yash Pal Gupta     |
| 6      | 28.02.2007       | Hari Mohan Govil   | 20,000                | Yash Pal Gupta     |
|        |                  | <b>Total</b>       | <b>1,15,000</b>       |                    |

## (viii) Details of Acquisition of Share by Mr. Yash Pal Gupta dated June 25, 2008:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 25.06.2008       | Manju Goyal        | 9,500                 | Yash Pal Gupta     |
|        |                  | <b>Total</b>       | <b>9,500</b>          |                    |

## (ix) Details of Transfer by Mr. Yash Pal Gupta dated September 29, 2013:



| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 29.09.2013       | Yash Pal Gupta     | 85,000                | Tripti Gupta       |
|        |                  | <b>Total</b>       | <b>85,000</b>         |                    |

## (x) Details of Acquisition of Share by Mr. Parveen Gupta dated January 18, 2000:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 18.01.2000       | H.S. Kumbhat       | 50,000                | Parveen Gupta      |
|        |                  | <b>Total</b>       | <b>50,000</b>         |                    |

## (xi) Details of Acquisition of Share by Mr. Parveen Gupta dated February 28, 2007:

| S. No. | Date of Transfer | Name of Transferor    | No. of Share Transfer | Name of Transferee |
|--------|------------------|-----------------------|-----------------------|--------------------|
| 1      | 28.02.2007       | Kirorimal Goel        | 7,500                 | Parveen Gupta      |
| 2      | 28.02.2007       | Rakesh Jain           | 5,000                 | Parveen Gupta      |
| 3      | 28.02.2007       | Govind Ram Gupta      | 6,000                 | Parveen Gupta      |
| 4      | 28.02.2007       | Krishan Kumar         | 6,000                 | Parveen Gupta      |
| 5      | 28.02.2007       | Murari Lal            | 6,000                 | Parveen Gupta      |
| 6      | 28.02.2007       | Jagadish Aggarwal     | 5,000                 | Parveen Gupta      |
| 7      | 28.02.2007       | Ashok Kumar Aggarwal  | 6,000                 | Parveen Gupta      |
| 8      | 28.02.2007       | Parhlad Rai           | 5,000                 | Parveen Gupta      |
| 9      | 28.02.2007       | Deepak Kumar Garg     | 7,000                 | Parveen Gupta      |
| 10     | 28.02.2007       | Manoj Kumar Acharya   | 6,000                 | Parveen Gupta      |
| 11     | 28.02.2007       | Babu Ram              | 9,500                 | Parveen Gupta      |
| 12     | 28.02.2007       | Suresh Kumar Aggarwal | 11,000                | Parveen Gupta      |
| 13     | 28.02.2007       | Naresh Kumar          | 8,000                 | Parveen Gupta      |
| 14     | 28.02.2007       | Ashok Kumar Aggarwal  | 9,000                 | Parveen Gupta      |
|        |                  | <b>Total</b>          | <b>97,000</b>         |                    |

## (xii) Details of Acquisition of Share by Mr. Parveen Gupta dated June 25, 2008:

| S. No. | Date of Transfer | Name of Transferor  | No. of Share Transfer | Name of Transferee |
|--------|------------------|---------------------|-----------------------|--------------------|
| 1      | 25.06.2008       | Santosh Kumar Goyal | 60,050                | Parveen Gupta      |
| 2      | 25.06.2008       | Ashwani Kumar       | 6,000                 | Parveen Gupta      |
| 3      | 25.06.2008       | Munish Kedia        | 30,000                | Parveen Gupta      |
| 4      | 25.06.2008       | Nitin               | 8,000                 | Parveen Gupta      |
| 5      | 25.06.2008       | Prabhu Dayal Singh  | 1,500                 | Parveen Gupta      |
| 6      | 25.06.2008       | Praveen Jain        | 7,000                 | Parveen Gupta      |
| 7      | 25.06.2008       | Rajesh Gupta        | 10,500                | Parveen Gupta      |
| 8      | 25.06.2008       | Rajesh Kumar        | 9,500                 | Parveen Gupta      |
| 9      | 25.06.2008       | Rakesh Kumar        | 8,000                 | Parveen Gupta      |
| 10     | 25.06.2008       | Ram Singh           | 7,500                 | Parveen Gupta      |
|        |                  | <b>Total</b>        | <b>1,48,050</b>       |                    |

## (xiii) Details of Acquisition of Share by Mr. Parveen Gupta dated September 16, 2008:



| S. No. | Date of Transfer | Name of Transferor          | No. of Share Transfer | Name of Transferee |
|--------|------------------|-----------------------------|-----------------------|--------------------|
| 1      | 16.09.2008       | Bishwanath Goyal            | 9,000                 | Parveen Gupta      |
| 2      | 16.09.2008       | Bishwanath Santosh Kr (HUF) | 57,500                | Parveen Gupta      |
| 3      | 16.09.2008       | Manju Goyal                 | 1,00,500              | Parveen Gupta      |
|        |                  | <b>Total</b>                | <b>1,67,000</b>       |                    |

## (xiv) Details of Transfer by Mr. Parveen Gupta dated September 29, 2013:

| S. No. | Date of Transfer | Name of Transferor | No. of Share Transfer | Name of Transferee |
|--------|------------------|--------------------|-----------------------|--------------------|
| 1      | 29.09.2013       | Parveen Gupta      | 1,30,000              | Rohin Gupta        |
| 2      | 29.09.2013       | Parveen Gupta      | 90,000                | Saurabh Gupta      |
| 3      | 29.09.2013       | Parveen Gupta      | 80,000                | Agam Gupta         |
|        |                  | <b>Total</b>       | <b>3,00,000</b>       |                    |

## 8. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:

| S. No. | Name of the Promoter | No. of Shares held | Average Cost of Acquisition per Share (In Rs.) |
|--------|----------------------|--------------------|--|
| 1      | Mr. Rajesh Gupta     | 19,86,068          | 3.85   |
| 2      | Mr. Sachin Gupta     | 11,63,200          | 2.53   |
| 3      | Mr. Yash Pal Gupta   | 15,70,600          | 2.66   |
| 4      | Mr. Parveen Gupta    | 18,33,200          | 3.42   |

## 9. Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Prospectus.

| Date of Allotment | Allottees        | No. of Equity Shares Allotted | Face Value (in ₹) | Issue Price (in ₹) | Reason for Allotment | Category of Allottees |
|-------------------|------------------|-------------------------------|-------------------|--------------------|----------------------|-----------------------|
| July 22, 2017     | Parveen Gupta    | 1,374,900                     | 10.00             | --                 | Bonus Issue          | Promoter              |
|                   | Rajesh Gupta     | 1,489,551                     |                   |                    |                      | Promoter              |
|                   | Yash Pal Gupta   | 1,177,950                     |                   |                    |                      | Promoter              |
|                   | Sachin Gupta     | 872,400                       |                   |                    |                      | Promoter              |
|                   | Rekha Gupta      | 1,275,291                     |                   |                    |                      | Promoter Group        |
|                   | Suman Gupta      | 961,500                       |                   |                    |                      | Promoter Group        |
|                   | Saroj Gupta      | 1,300,200                     |                   |                    |                      | Promoter Group        |
|                   | Rohin Gupta      | 9,92,484                      |                   |                    |                      | Promoter Group        |
|                   | Rachit Gupta     | 1,243,800                     |                   |                    |                      | Promoter Group        |
|                   | Saurabh Gupta    | 1,023,309                     |                   |                    |                      | Promoter Group        |
|                   | Subhash Rani     | 117,612                       |                   |                    |                      | Promoter Group        |
|                   | Tripti Gupta     | 1,070,700                     |                   |                    |                      | Promoter Group        |
|                   | Agam Gupta       | 4,55,100                      |                   |                    |                      | Promoter Group        |
|                   | Vijay Kumar Rana | 59,049                        |                   |                    |                      | Public                |
|                   | Vikas Aggarwal   | 59,049                        |                   |                    |                      | Public                |
|                   | Rani Gupta       | 59,046                        |                   |                    |                      | Public                |



|  |                    |          |  |  |  |                |
|--|--------------------|----------|--|--|--|----------------|
|  | Parveen Gupta HUF  | 63900    |  |  |  | Promoter Group |
|  | Sachin Gupta HUF   | 1,29,900 |  |  |  | Promoter Group |
|  | Yash Pal HUF       | 59,100   |  |  |  | Promoter Group |
|  | Rajesh Kumar a HUF | 67, 200  |  |  |  | Promoter Group |
|  | Prerna Gupta       | 17,400   |  |  |  | Promoter Group |

The maximum and minimum price at which the transactions take place is Nil.

10. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Prospectus is as below:-

| S.No | Names                    | Pre Issue          |               | Post Issue         |               |
|------|--------------------------|--------------------|---------------|--------------------|---------------|
|      |                          | Shares Held        | % Shares Held | Shares Held        | % Shares Held |
|      | <b>Promoter</b>          |                    |               |                    |               |
| 1.   | Mr. Rajesh Gupta         | 19,86,068          | 10.74         | 19,11,068          | 7.83          |
| 2.   | Mr. Sachin Gupta         | 11,63,200          | 6.29          | 10,63,200          | 4.35          |
| 3.   | Mr. Yash Pal Gupta       | 15,70,600          | 8.49          | 14,70,600          | 6.02          |
| 4.   | Mr. Parveen Gupta        | 18,33,200          | 9.91          | 17,83,200          | 7.30          |
|      | <b>TOTAL (A)</b>         | <b>65,53,068</b>   | <b>35.43</b>  | <b>62,28,068</b>   | <b>25.50</b>  |
|      | <b>Promoter Group</b>    |                    |               |                    |               |
| 1.   | Parveen Gupta HUF        | 85,200             | 0.46          | 85,200             | 0.35          |
| 2.   | Mrs. Prerna Gupta        | 23,200             | 0.13          | 23,200             | 0.09          |
| 3.   | Mr. Rohin Gupta          | 13,23,312          | 7.16          | 13,23,312          | 5.42          |
| 4.   | Mr. Saurabh Gupta        | 13,64,412          | 7.38          | 13,64,412          | 5.59          |
| 5.   | Mrs. Suman Gupta         | 12,82,000          | 6.93          | 12,82,000          | 5.25          |
| 6.   | Mr. Agam Gupta           | 6,06,800           | 3.28          | 6,06,800           | 2.48          |
| 7.   | Mr. Rachit Gupta         | 16,58,400          | 8.97          | 16,58,400          | 6.79          |
| 8.   | Rajesh Kumar HUF         | 89,600             | 0.48          | 89,600             | 0.37          |
| 9.   | Mrs. Rekha Gupta         | 17,00,388          | 9.19          | 16,00,388          | 6.55          |
| 10.  | Sachin Gupta HUF         | 173,200            | 0.94          | 173,200            | 0.71          |
| 11.  | Mrs. Saroj Gupta         | 17,33,600          | 9.37          | 17,33,600          | 7.10          |
| 12.  | Mrs. Tripti Gupta        | 14,27,600          | 7.72          | 13,52,600          | 5.54          |
| 13.  | Yash Pal HUF             | 78,800             | 0.43          | 78,800             | 0.32          |
| 14.  | Smt. Subhash Rani        | 156,816            | 0.85          | 156,816            | 0.64          |
|      | <b>TOTAL (B)</b>         | <b>1,17,03,328</b> | <b>63.29</b>  | <b>1,15,28,328</b> | <b>47.21</b>  |
|      | <b>GRAND TOTAL (A+B)</b> | <b>1,82,56,396</b> | <b>98.72</b>  | <b>1,77,56,396</b> | <b>72.70</b>  |

11. Details of Promoter's Contribution locked in for three years:

| Date of Allotment / transfer of fully paid up Shares | Date when made Fully paid up | Nature of Allotment/ Acquired/Transfer | No. of shares Allotted/ Acquired/ Transferred | Face Value (Rs.) | Issue Price/ Transfer Price (Rs.) | % of Pre Issue Shareholding | % of Post Issue Shareholding | Lock in Period |
|--|------------------------------|--|---|------------------|-----------------------------------|-----------------------------|------------------------------|----------------|
| <b>Mr. Rajesh Gupta</b>                              |                              |  |   |                  |                                   |                             |                              |                |
| July 22, 2017  | July 22, 2017                | Bonus                                  | 14,89,551                                     | 10               | --                                | 8.05                        | 6.10                         | 3 Years        |
| <b>Total (A)</b>                                     |                              |  | <b>14,89,551</b>                              | <b>-</b>         | <b>-</b>                          | <b>8.05</b>                 | <b>6.10</b>                  | <b>-</b>       |
| <b>Mr. Sachin Gupta</b>                              |                              |  |   |                  |                                   |                             |                              |                |
| June 30, 2010  | June 30, 2010                | Allotment (pursuant to amalgamat       | 1,00,000                                      | 10               | --                                | 0.54                        | 0.41                         | 3 Years        |





|                              |               | ion)  |                  |    |    |              |              |         |
|------------------------------|---------------|-------|------------------|----|----|--------------|--------------|---------|
| July 22, 2017                | July 22, 2017 | Bonus | 8,72,400         | 10 | -- | 4.72         | 3.57         | 3 Years |
| <b>Total (B)</b>             |               |       | <b>9,72,400</b>  | -  | -  | <b>5.26</b>  | <b>3.98</b>  | -       |
| <b>Mr. Yash Pal Gupta</b>    |               |       |                  |    |    |              |              |         |
| July 22, 2017                | July 22, 2017 | Bonus | 11,77,950        | 10 | -- | 6.37         | 4.82         | 3 Years |
| <b>Total (C)</b>             |               |       | <b>11,77,950</b> | -  | -  | <b>6.37</b>  | <b>4.82</b>  | -       |
| <b>Mr. Parveen Gupta</b>     |               |       |                  |    |    |              |              |         |
| July 22, 2017                | July 22, 2017 | Bonus | 13,74,900        | 10 | -- | 7.43         | 5.63         | 3 Years |
| <b>Total (D)</b>             |               |       | <b>13,74,900</b> | -  | -  | <b>7.43</b>  | <b>5.63</b>  | -       |
| <b>Grand Total (A+B+C+D)</b> |               |       | <b>50,14,801</b> | -  | -  | <b>27.11</b> | <b>20.53</b> | -       |

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations, 2009, All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations, 2009, and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations, 2009 i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-Issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years and shares offered in Offer for sale, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, Mr. Rajesh Gupta, Mr. Sachin Gupta, Mr. Yash Pal Gupta and Mr. Parveen Gupta have, by a written undertaking, consented to have 14,89,551 Equity Shares, 9,72,400 Equity Shares, 11,77,950 Equity Shares and 13,74,900 Equity Shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Prospectus with SME Platform of BSE till the date of commencement of lock-in period as stated in this Prospectus. The Equity Shares under the Promoters contribution will constitute 20.53% of our post-Issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

#### Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009

| Reg. No.        | Promoters' Minimum Contribution Conditions   | Eligibility Status of Equity Shares forming part of Promoter's Contribution   |
|-----------------|--|---|
| 33(1) (a) (i)   | Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction  | The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b> |
| 33 (1) (a) (ii) | Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution | The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>   |
| 33 (1) (b)      | Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public issue   | The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>  |
| 33 (1) (c)      | Specified securities allotted to promoters during  | The minimum Promoter's contribution   |



| Reg. No.   | Promoters' Minimum Contribution Conditions   | Eligibility Status of Equity Shares forming part of Promoter's Contribution   |
|------------|--|---|
|            | the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible | does not consist of such Equity Shares. <b>Hence Eligible.</b>  |
| 33 (1) (d) | Specified securities pledged with any creditor.  | Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b> |

#### Details of Share Capital Locked In for One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, 2009, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group, except the shares offered for sale through the Issue constituting 1,29,75,787 Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non transferable period mentioned on the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

- In terms of Regulation 39 of the SEBI ICDR Regulations, 2009, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 40 of the SEBI ICDR Regulations, 2009, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, 2009, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 40 of the SEBI ICDR Regulations, 2009, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.



## 12. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of the Prospectus:

### I. Summary of Shareholding Pattern:-

| Category | Category of shareholder    | Nos. of share holders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* |                    |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares |         | Number of Shares pledged or otherwise encumbered |         | Number of equity shares held in dematerialized form |                                 |
|----------|----------------------------|-----------------------|---|--|--|------------------------|--|---|--------------------|-------------------------|--|---|----------------------------|---------|--|---------|---|---------------------------------|
|          |                            |                       |   |  |  |                        |  | No of Voting Rights                                       |                    |                         |  |   | Total as a % of (A+B+C)    | No. (a) | As a % of total Shares held (b)                  | No. (a) |   | As a % of total Shares held (b) |
|          |                            |                       |   |  |  |                        |  | Class Equity Shares of Rs.10/- each^                      | Total              | Total as a % of (A+B+C) |  |   |                            |         |  |         |   |                                 |
|          |                            |                       |   |  |  |                        |  |   |                    |                         |  |   |                            |         |  |         |   |                                 |
| I        | II                         | III                   | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX  |                    |                         | X  | XI=VII+X  | XII                        | XIII    |  | XIV     |   |                                 |
| (A)      | Promoter & Promoter Group  | 18                    | 1,82,56,396                             | -  | -  | 1,82,56,396            | 98.72  | 1,82,56,396   | 1,82,56,396        | 98.72                   | -  | 98.72   | -                          | -       | -  | -       | 18256396  |                                 |
| (B)      | Public                     | 3                     | 2,36,192                                | -  | -  | 2,36,192               | 1.28   | 2,36,192  | 2,36,192           | 1.28                    | -  | 1.28  | -                          | -       | -  | -       | 236192  |                                 |
| (C)      | Non Promoter-Non Public    | -                     | -                                       | -  | -  | -                      | -  | -   | -                  | -                       | -  | -   | -                          | -       | -  | -       | -   |                                 |
| (C1)     | Shares underlying DRs      | -                     | -                                       | -  | -  | -                      | -  | -   | -                  | -                       | -  | -   | -                          | -       | -  | -       | -   |                                 |
| (C2)     | Shares held by Emp. Trusts | -                     | -                                       | -  | -  | -                      | -  | -   | -                  | -                       | -  | -   | -                          | -       | -  | -       | -   |                                 |
|          | <b>Total</b>               | <b>21</b>             | <b>1,84,92,588</b>                      | -  | -  | <b>1,84,92,588</b>     | <b>100.00</b>  | <b>1,84,92,588</b>  | <b>1,84,92,588</b> | <b>100.00</b>           | -  | <b>100.00</b>   | -                          | -       | -  | -       | <b>18492588</b>                                     |                                 |

\*As on date of this Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

We have entered into a tripartite agreement with CDSL dated July 04, 2017 and NSDL dated August 10, 2017.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the Listing of the Equity Shares. The Shareholding Pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.



II. Shareholding pattern of the Promoter and Promoter Group

| S.No. | Category & Name of the Shareholders    | PAN        | No. of share holders | No. of fully paid up equity shares held | Partly paid-up equity shares held | Nos. of shares underlying Depository Receipts | Total nos. shares held | Shareholding (calculated as per SCRR, 1957)<br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* |         |             | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of A+B+C2 | Number of Locked in shares          |         | Number of Shares pledged or otherwise |         | Number of equity shares held in dematerialized form |                                 |
|-------|--|------------|----------------------|---|-----------------------------------|---|------------------------|---|---|---------|-------------|--|---|-------------------------------------|---------|---------------------------------------|---------|---|---------------------------------|
|       |  |            |                      |   |                                   |   |                        |   | No of Voting Rights                                       |         |             |  |   | Total as a % of Total Voting rights | No. (a) | As a % of total Shares held (b)       | No. (a) |   | As a % of total shares held (b) |
|       |  |            |                      |   |                                   |   |                        |   | Class Equity Shares of Rs.10/- each                       | Class Y | Total       |  |   |                                     |         |                                       |         |   |                                 |
|       | I                                      | II         | III                  | IV                                      | V                                 | VI  | VII=IV+V+VI            | VIII  | IX  |         |             | X  | XI = VII+X  | XII                                 | XIII    | XIV                                   |         |   |                                 |
| (1)   | Indian                                 |            |                      |   |                                   |   |                        |   |   |         |             |  |   |                                     |         |                                       |         |   |                                 |
| (a)   | Individuals/<br>Hindu undivided Family |            | 18                   | 1,82,56,396                             | -                                 | -   | 1,82,56,396            | 98.72   | 1,82,56,396   | -       | 1,82,56,396 | 98.72  | -   | 98.72                               | -       | -                                     | -       | 18256396  |                                 |
|       | Mr. Rajesh Gupta                       | AAGPG1933N | 1                    | 19,86,068                               | -                                 | -   | 19,86,068              | 10.74   | 19,86,068   | -       | 19,86,068   | 10.74  | -   | 10.74                               | -       | -                                     | -       | 1986068   |                                 |
|       | Mr. Sachin Gupta                       | AEMPG2079R | 1                    | 11,63,200                               | -                                 | -   | 11,63,200              | 6.29  | 11,63,200   | -       | 11,63,200   | 6.30   | -   | 6.29                                | -       | -                                     | -       | 1163200   |                                 |
|       | Mr. Yash Pal Gupta                     | AABPY3801C | 1                    | 15,70,600                               | -                                 | -   | 15,70,600              | 8.49  | 15,70,600   | -       | 15,70,600   | 8.49   | -   | 8.49                                | -       | -                                     | -       | 1570600   |                                 |
|       | Mr. Parveen Gupta                      | ACAPG7884N | 1                    | 18,33,200                               | -                                 | -   | 18,33,200              | 9.91  | 18,33,200   | -       | 18,33,200   | 9.91   | -   | 9.91                                | -       | -                                     | -       | 1833200   |                                 |
|       | Parveen Gupta HUF                      | AAAHP7090R | 1                    | 85,200                                  | -                                 | -   | 85,200                 | 0.46  | 85,200  | -       | 85,200      | 0.46   | -   | -                                   | -       | -                                     | -       | 85200   |                                 |
|       | Mrs. Prerna Gupta                      | AYGPG3569A | 1                    | 23,200                                  | -                                 | -   | 23,200                 | 0.13  | 23,200  | -       | 23,200      | 0.13   | -   | -                                   | -       | -                                     | -       | 23200   |                                 |
|       | Mr. Rohin Gupta                        | ALMPG1616R | 1                    | 1,323,312                               | -                                 | -   | 1,323,312              | 7.16  | 1,323,312   | -       | 1,323,312   | 7.16   | -   | -                                   | -       | -                                     | -       | 1323312   |                                 |
|       | Mr. Saurabh Gupta                      | AHZPG0315L | 1                    | 1,364,412                               | -                                 | -   | 1,364,412              | 7.38  | 1,364,412   | -       | 1,364,412   | 7.38   | -   | -                                   | -       | -                                     | -       | 1364412   |                                 |
|       | Mrs. Suman Gupta                       | AAHPG4506G | 1                    | 1,282,000                               | -                                 | -   | 1,282,000              | 6.93  | 1,282,000   | -       | 1,282,000   | 6.93   | -   | -                                   | -       | -                                     | -       | 1282000   |                                 |
|       | Mr. Agam Gupta                         | BDLPG3156N | 1                    | 606,800                                 | -                                 | -   | 606,800                | 3.28  | 606,800   | -       | 606,800     | 3.28   | -   | -                                   | -       | -                                     | -       | 606800  |                                 |



*Share India Securities Limited*

|     |   |            |           |                    |   |   |                    |              |                    |   |                    |              |   |              |   |   |          |
|-----|---|------------|-----------|--------------------|---|---|--------------------|--------------|--------------------|---|--------------------|--------------|---|--------------|---|---|----------|
|     | Mr. Rachit Gupta  | AMRPG7143B | 1         | 1,658,400          | - | - | 1,658,400          | 8.97         | 1,658,400          | - | 1,658,400          | 8.97         | - | -            | - | - | 1658400  |
|     | Rajesh Kumar HUF  | AABHR5315J | 1         | 89,600             | - | - | 89,600             | 0.48         | 89,600             | - | 89,600             | 0.48         | - | -            | - | - | 89600    |
|     | Mrs. Rekha Gupta  | AAOPG3268L | 1         | 1,700,388          | - | - | 1,700,388          | 9.19         | 1,700,388          | - | 1,700,388          | 9.19         | - | -            | - | - | 1700388  |
|     | Sachin Gupta HUF  | AAPHS5011J | 1         | 173,200            | - | - | 173,200            | 0.94         | 173,200            | - | 173,200            | 0.94         | - | -            | - | - | 173200   |
|     | Mrs. Saroj Gupta  | ACAPG4673M | 1         | 1,733,600          | - | - | 1,733,600          | 9.37         | 1,733,600          | - | 1,733,600          | 9.37         | - | -            | - | - | 1733600  |
|     | Mrs. Tripti Gupta   | AIXPG2163K | 1         | 1,427,600          | - | - | 1,427,600          | 7.72         | 1,427,600          | - | 1,427,600          | 7.72         | - | -            | - | - | 1427600  |
|     | Yash Pal HUF  | AAAHY2937C | 1         | 78,800             | - | - | 78,800             | 0.43         | 78,800             | - | 78,800             | 0.43         | - | -            | - | - | 78800    |
|     | Smt. Subhash Rani   | AHIPR4635F | 1         | 156,816            | - | - | 156,816            | 0.85         | 156,816            | - | 156,816            | 0.85         | - | -            | - | - | 156816   |
| (b) | Central Government/ State Government(s)                       | -          | 00        | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
| (c) | Financial Institutions/ Banks                                 | -          | 0         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
| (d) | Any Other   | -          | 0         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
|     | <b>Sub-Total (A)(1)</b>                                       | -          | <b>18</b> | <b>1,82,56,396</b> | - | - | <b>1,82,56,396</b> | <b>98.72</b> | <b>1,82,56,396</b> | - | <b>1,82,56,396</b> | <b>98.72</b> | - | <b>98.72</b> | - | - | 18256396 |
| (2) | Foreign   | -          | -         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals)   | -          | -         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
| (b) | Government  | -          | -         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
| (c) | Institutions  | -          | -         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
| (d) | Foreign Portfolio Investor                                    | -          | -         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
| (f) | Any Other   | -          | -         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
|     | <b>Sub-Total (A)(2)</b>                                       | -          | -         | -                  | - | - | -                  | -            | -                  | - | -                  | -            | - | -            | - | - | -        |
|     | <b>Total Shareholding of Promoter and Promoter Group (A)=</b> | -          | <b>18</b> | <b>1,82,56,396</b> | - | - | <b>1,82,56,396</b> | <b>98.72</b> | <b>1,82,56,396</b> | - | <b>1,82,56,396</b> | <b>98.72</b> | - | <b>98.72</b> | - | - | 18256396 |



(A)(1)+(A)(2)

\*As on date of this Prospectus 1 Equity share holds 1 vote.

**III- Shareholding pattern of the Public shareholder**

| S.No. | Category & Name of the Shareholders | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | Nos. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % (calculated as per SCRR, 1957)<br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |       |                                     | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |  | Number of equity shares held in dematerialized form |
|-------|-------------------------------------|-----|---------------------|---|-----------------------------------|---|------------------------|---|--|---------|-------|-------------------------------------|--|--|----------------------------|---------------------------------|--|--|---|
|       |                                     |     |                     |   |                                   |   |                        |   | No of Voting Rights                                      |         |       | Total as a % of Total Voting rights |  |  | No. (a)                    | As a % of total shares held (b) | No. (not applicable) (a)                         | As a % of total shares held (not applicable) (b) |   |
|       |                                     |     |                     |   |                                   |   |                        |   | Class Equity Shares of Rs.10/- each                      | Class Y | Total |                                     |  |  |                            |                                 |  |  |   |
|       | I                                   | II  | III                 | IV                                      | V                                 | VI  | VII=IV+V+VI            | VIII  | IX   |         |       | X                                   | XI= VII+X  | XII  |                            | XIII                            |  | XIV  |   |
| (1)   | <b>Institutions</b>                 |     |                     |   |                                   |   |                        |   |  |         |       |                                     |  |  |                            |                                 |  |  |   |
| (a)   | Mutual Funds                        | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (b)   | Venture Capital Funds               | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (c)   | Alternate Investment Funds          | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (d)   | Foreign Venture Capital Investors   | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (e)   | Foreign Portfolio Investors         | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (f)   | Financial Institutions/ Banks       | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (g)   | Insurance Companies                 | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (h)   | Provident Funds/ Pension Funds      | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |
| (i)   | Any Other (specify)                 | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -                                   | -  | -  | -                          | -                               | -  | -  |   |



*Share India Securities Limited*

|     |   |   |   |          |   |   |          |      |          |   |          |      |   |      |   |   |        |
|-----|---|---|---|----------|---|---|----------|------|----------|---|----------|------|---|------|---|---|--------|
|     | <b>Sub-Total (B)(1)</b>   | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
| (2) | <b>Central Government/ State Government(s)/ President of India</b>                  | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | <b>Sub-Total (B)(2)</b>   | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
| (3) | <b>Non-institutions</b>   |   |   |          |   |   |          |      |          |   |          |      |   |      |   |   |        |
| (a) | Individuals   | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.         | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | - | 3 | 2,36,192 | - | - | 2,36,192 | 1.28 | 2,36,192 | - | 2,36,192 | 1.28 | - | 1.28 | - | - | 236192 |
| (b) | NBFCs registered with RBI   | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
| (c) | Employee Trusts   | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
| (d) | Overseas Depositories (holding DRs) (balancing figure)                              | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
| (e) | Any Other   | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | Body Corporate  | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | Clearing Members  | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | Non Resident Indians (Non Repat)  | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | Non Resident Indians (NRI's)  | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | Non Resident Indians (Repat)  | - | - | -        | - | - | -        | -    | -        | - | -        | -    | - | -    | - | - | -      |
|     | <b>Sub-Total (B)(3)</b>   | - | 3 | 2,36,192 | - | - | 2,36,192 | 1.28 | 2,36,192 | - | 2,36,192 | 1.28 | - | 1.28 | - | - | 236192 |
|     | <b>Total Public</b>   | - | 3 | 2,36,192 | - | - | 2,36,192 | 1.28 | 2,36,192 | - | 2,36,192 | 1.28 | - | 1.28 | - | - | 236192 |





|   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Shareholding (B)=<br>(B)(1)+(B)(2)+(B)(3) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

**IV - Shareholding pattern of the Non Promoter- Non Public shareholder**

| S.No. | Category & Name of the Shareholders  | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | Nos. of shares underlying Depository Receipts | Total nos. shares held | Shareholding (calculated as per SCRR, 1957)<br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |         |       | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares          |      | Number of Shares pledged or otherwise encumbered |                      | Number of equity shares held in Share dematerialized form (Not applicable) |  |
|-------|--|-----|---------------------|---|-----------------------------------|---|------------------------|---|--|---------|-------|--|--|-------------------------------------|------|--|----------------------|--|--|
|       |  |     |                     |   |                                   |   |                        |   | No of Voting Rights                                      |         |       |  |  | Total as a % of Total Voting rights | No.  | As a % of total Shares held                      | No. (not applicable) |  | As a % of total shares held (not applicable) |
|       |  |     |                     |   |                                   |   |                        |   | Class Equity Shares of Rs.10/- each                      | Class Y | Total |  |  |                                     |      |  |                      |  |  |
|       | I  | II  | III                 | IV                                      | V                                 | VI  | VII=IV+V+VI            | VIII  | IX   |         |       | X  | XI= VII+ X   | XII                                 | XIII |  | XIV                  |  |  |
| (1)   | Custodian/DR Holder  |     |                     |   |                                   |   |                        |   |  |         |       |  |  |                                     |      |  |                      |  |  |
| (a)   | Name of DR Holder  | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -  | -  | -                                   | -    | -  | -                    | -  |  |
|       | <b>Sub Total (c) (1)</b>   | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -  | -  | -                                   | -    | -  | -                    | -  |  |
| (2)   | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -  | -  | -                                   | -    | -  | -                    | -  |  |
|       | <b>Sub Total (C) (2)</b>   | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -  | -  | -                                   | -    | -  | -                    | -  |  |
|       | <b>Total Non-Promoter Non-Public shareholding (C)= (C) (1)+ (C) (2)</b>              | -   | -                   | -                                       | -                                 | -   | -                      | -   | -  | -       | -     | -  | -  | -                                   | -    | -  | -                    | -  |  |



### 13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

As on the date of the Prospectus, our Company has 21 (Twenty One) shareholders.

a) Our top ten shareholders as on the date of filing of the Prospectus are as follow:

| Sr. No. | Names              | Shares Held (Face Value of Rs. 10 each) | % shares held (% Pre Issue paid up Capital) |
|---------|--------------------|---|---|
| 1.      | Mr. Rajesh Gupta   | 19,86,068                               | 10.74                                       |
| 2.      | Mr. Parveen Gupta  | 18,33,200                               | 9.91  |
| 3.      | Mrs. Saroj Gupta   | 1,733,600                               | 9.37  |
| 4.      | Mrs. Rekha Gupta   | 1,700,388                               | 9.19  |
| 5.      | Mr. Rachit Gupta   | 1,658,400                               | 8.97  |
| 6.      | Mr. Yash Pal Gupta | 15,70,600                               | 8.49  |
| 7.      | Mrs. Tripti Gupta  | 1,427,600                               | 7.72  |
| 8.      | Mr. Saurabh Gupta  | 1,364,412                               | 7.38  |
| 9.      | Mr. Rohin Gupta    | 1,323,312                               | 7.16  |
| 10.     | Mrs. Suman Gupta   | 1,282,000                               | 6.93  |
|         | <b>Total</b>       | <b>1,58,79,580</b>                      | <b>85.87</b>                                |

b) Our top ten shareholders 10 days prior filing of the Prospectus are as follows:

| Sr. No. | Names              | Shares Held (Face Value of Rs. 10 each) | % shares held (% Pre Issue paid up Capital) |
|---------|--------------------|---|---|
| 1.      | Mr. Rajesh Gupta   | 19,86,068                               | 10.74                                       |
| 2.      | Mr. Parveen Gupta  | 18,33,200                               | 9.91  |
| 3.      | Mrs. Saroj Gupta   | 1,733,600                               | 9.37  |
| 4.      | Mrs. Rekha Gupta   | 1,700,388                               | 9.19  |
| 5.      | Mr. Rachit Gupta   | 1,658,400                               | 8.97  |
| 6.      | Mr. Yash Pal Gupta | 15,70,600                               | 8.49  |
| 7.      | Mrs. Tripti Gupta  | 1,427,600                               | 7.72  |
| 8.      | Mr. Saurabh Gupta  | 1,364,412                               | 7.38  |
| 9.      | Mr. Rohin Gupta    | 1,323,312                               | 7.16  |
| 10.     | Mrs. Suman Gupta   | 1,282,000                               | 6.93  |
|         | <b>Total</b>       | <b>1,58,79,580</b>                      | <b>85.87</b>                                |

c) Details of top ten shareholders of our Company two years prior to the date of filing of the Prospectus are as follows:

| Sr. No. | Names              | Shares Held (Face Value of Rs. 10 each) | % of Paid up Equity Shares as on 2 years prior to the date of filing of the Prospectus |
|---------|--------------------|---|--|
| 1.      | Mr. Parveen Gupta  | 4,17,300                                | 9.83   |
| 2.      | Mr. Rajesh Gupta   | 3,80,117                                | 8.95   |
| 3.      | Mr. Yash Pal Gupta | 3,92,650                                | 9.25   |
| 4.      | Mr. Rohin Gupta    | 3,30,828                                | 7.79   |
| 5.      | Mrs. Rekha Gupta   | 3,80,597                                | 8.97   |
| 6.      | Mrs. Suman Gupta   | 3,09,700                                | 7.30   |
| 7.      | Mrs. Saroj Gupta   | 2,94,700                                | 6.94   |
| 8.      | Mr. Rachit Gupta   | 4,14,600                                | 9.77   |
| 9.      | Mr. Saurabh Gupta  | 3,38,603                                | 7.98   |
| 10.     | Mrs. Tripti Gupta  | 3,56,900                                | 8.41   |
|         | <b>Total</b>       | <b>36,15,995</b>                        | <b>85.20</b>   |

\*Details of shares held on March 31, 2015 and Percentage held has been calculated based on the paid up capital of our company as on March 31, 2015.



14. We have 3 (Three) public shareholders in our Company as on the date of Prospectus. However, none of our public shareholders are holding more than 1 % of the pre-issue share capital of our Company.
15. Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- offer share capital of our Company.

| S. No.            | Name of Shareholder | Date of Transaction | Promoter/<br>Promoter Group/<br>Director | Number of<br>Equity<br>Shares<br>subscribed<br>to/Acquired | Subscribed/<br>Acquired/<br>Transferred |
|-------------------|---------------------|---------------------|--|--|---|
| 1.                | Mr. Parveen Gupta   | January 24,<br>2015 | Promoter                                 | 32,700   | Subscribed                              |
|                   | Mr. Rachit Gupta    |                     | Promoter Group                           | 36,900   | Subscribed                              |
|                   | Mr. Rohin Gupta     |                     | Promoter Group                           | 44,900   | Subscribed                              |
|                   | Mrs. Saroj Gupta    |                     | Promoter Group                           | 11,200   | Subscribed                              |
|                   | Mr. Saurabh Gupta   |                     | Promoter Group                           | 39,400   | Subscribed                              |
|                   | Mr. Tripti Gupta    |                     | Promoter Group                           | 31,500   | Subscribed                              |
|                   | Mr. YashPal Gupta   |                     | Promoter                                 | 11,200   | Subscribed                              |
|                   | Parveen Gupta HUF   |                     | Promoter Group                           | 21,300   | Subscribed                              |
|                   | Sachin Gupta HUF    |                     | Promoter Group                           | 42,100   | Subscribed                              |
|                   | YashPal HUF         |                     | Promoter Group                           | 17,200   | Subscribed                              |
|                   | Rajesh Kumar HUF    |                     | Promoter Group                           | 20,000   | Subscribed                              |
|                   | 2.                  |                     | Mr. Parveen Gupta                        | September<br>15, 2015                                      | Promoter                                |
| Mrs. Prerna Gupta |                     | Promoter Group      | 5,800                                    |  | Subscribed                              |
| Mr. Saurabh Gupta |                     | Promoter Group      | 2,500                                    |  | Subscribed                              |
| Mr. Suman Gupta   |                     | Promoter Group      | 10,800                                   |  | Subscribed                              |
| Mr. Agam Gupta    |                     | Promoter Group      | 10,700                                   |  | Subscribed                              |
| Mr. Rajesh Gupta  |                     | Promoter Group      | 1,16,400                                 |  | Subscribed                              |
| Rajesh Kumar HUF  |                     | Promoter Group      | 2,400                                    |  | Subscribed                              |
| Mrs. Rekha Gupta  |                     | Promoter Group      | 44,500                                   |  | Subscribed                              |
| Mr. Sachin Gupta  |                     | Promoter            | 1,700                                    |  | Subscribed                              |
| Sachin Gupta HUF  |                     | Promoter Group      | 1,200                                    |  | Subscribed                              |
| Mrs. Saroj Gupta  |                     | Promoter Group      | 1,38,700                                 |  | Subscribed                              |
| Yash Pal HUF      |                     | Promoter Group      | 2,500                                    |  | Subscribed                              |
| 3.                |                     | Parveen Gupta       | July 22,2017                             |  | Promoter                                |
|                   | Rajesh Gupta        | Promoter            |  | 1,489,551  | Bonus                                   |
|                   | Yash Pal Gupta      | Promoter            |  | 1,177,950  | Bonus                                   |
|                   | Sachin Gupta        | Promoter            |  | 872,400  | Bonus                                   |
|                   | Rekha Gupta         | Promoter Group      |  | 1,275,291  | Bonus                                   |
|                   | Suman Gupta         | Promoter Group      |  | 961,500  | Bonus                                   |
|                   | Saroj Gupta         | Promoter Group      |  | 1,300,200  | Bonus                                   |
|                   | Rohin Gupta         | Promoter Group      |  | 9,92,484   | Bonus                                   |
|                   | Rachit Gupta        | Promoter Group      |  | 1,243,800  | Bonus                                   |
|                   | Saurabh Gupta       | Promoter Group      |  | 1,023,309  | Bonus                                   |
|                   | Subhash Rani        | Promoter Group      |  | 117,612  | Bonus                                   |
|                   | Tripti Gupta        | Promoter Group      |  | 1,070,700  | Bonus                                   |
|                   | Agam Gupta          | Promoter Group      |  | 4,55,100   | Bonus                                   |
|                   | Parveen Gupta HUF   | Promoter Group      |  | 63900  | Bonus                                   |
|                   | Sachin Gupta HUF    | Promoter Group      |  | 1,29,900   | Bonus                                   |
|                   | Yash Pal HUF        | Promoter Group      |  | 59,100   | Bonus                                   |
|                   | Rajesh Kumar HUF    | Promoter Group      |  | 67,200   | Bonus                                   |
|                   | Prerna Gupta        | Promoter Group      |  | 17,400   | Bonus                                   |

16. Except as mentioned below none of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:



| Name                 | Designation                            | No. of Equity Shares held |
|----------------------|--|---------------------------|
| Mr. Rajesh Gupta     | Whole Time Director                    | 19,86,068                 |
| Mr. Yash Pal Gupta   | Non-Executive Director                 | 15,70,600                 |
| Mr. Parveen Gupta    | Chairman & Managing Director           | 18,33,200                 |
| Mr. Sachin Gupta     | Whole Time Director                    | 11,63,200                 |
| Mrs. Saroj Gupta     | Whole Time Director                    | 1,733,600                 |
| Mr. Vikas Aggarwal   | Company Secretary & Compliance Officer | 78,732                    |
| Mr. Vijay Kumar Rana | Chief Financial Officer                | 78,732                    |
| Mr. Rohin Gupta      | Whole Time Director                    | 13,23,312                 |

17. None of our Promoters, Promoter Group, Directors and their relatives have entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Prospectus.
18. Neither, we nor our Promoters, Directors, Selling Shareholders and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
19. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
20. As on the date of the Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
21. Our Company has not raised any bridge loan against the proceeds of the Issue.
22. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
23. As on the date of the Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
24. The Lead Manager i.e. Hem Securities Ltd. and their associates do not hold any Equity Shares in our Company as on the date of filing of the Prospectus.
25. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares Offered have been listed or application moneys refunded on account of failure of Issue.
26. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
27. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
28. An over-subscription to the extent of 5% of the total Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation



- with the LM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
30. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
  31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
  32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
  33. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
  34. As on the date of the Prospectus, our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
  35. There are no Equity Shares against which depository receipts have been issued.
  36. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Prospectus.
  37. We have 21 (Twenty One) Shareholders as on the date of filing of the Prospectus.
  38. There are no safety net arrangements for this Public Issue.
  39. Our Promoters and Promoter Group will not participate in this Issue, except for the sale of equity shares offered by them for sale in the offer.
  40. This Issue is being made through Fixed Price method.
  41. Except as disclosed in the Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Prospectus.
  42. No person connected with the Offer shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
  43. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Offer Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed. The Selling Shareholders shall not transfer their Equity Shares during the period commencing from submission of the Prospectus with Stock Exchange until the final approval on Basis of Allotment has been obtained from the Stock Exchange for the Equity Shares Allotted/ to be Allotted pursuant to the Offer except for transfer the Equity Shares held by them to demat escrow account as mutually agreed between our Company, Selling Shareholder and the Lead Manager.
  44. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.
  45. As per RBI regulations, OCB's are not allowed to participate in the Issue
  46. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our



Company in consultation with the Lead Manager and BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

47. The details of Equity Shares being offered for sale are as follows:

| <b>Sr. No</b> | <b>Name of Selling Shareholders</b> | <b>Number of Equity Shares</b> |
|---------------|-------------------------------------|--------------------------------|
| 1.            | Parveen Gupta                       | 50,000                         |
| 2.            | Rajesh Gupta                        | 75,000                         |
| 3.            | Rekha Gupta                         | 1,00,000                       |
| 4.            | Yash Pal Gupta                      | 1,00,000                       |
| 5.            | Sachin Gupta                        | 1,00,000                       |
| 6.            | Tripti Gupta                        | 75,000                         |



### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 59,32,000 Equity Shares of our Company at an Issue Price of Rs. 41.00 per Equity Share and an Offer for Sale for 5,00,000 equity shares of our Company at an Issue Price of Rs. 41.00 per Equity Share.

#### **The Offer for Sale**

Our Company will not receive any proceeds from the Offer for Sale.

#### **The Fresh Issue**

The Net Proceeds from the Fresh Issue will be utilised towards the following objects:

1. To Meet Working Capital Requirement
2. To Meet Capital Expenditure incurred for Branch expansion and distribution centre
3. To Meet Sales and Marketing Expenditure
4. General Corporate Purpose
5. To Meet the Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE Limited (“BSE SME”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is primarily engaged in the business of equity broking, investing and trading activities. Along with this we are also providing the services as a Depository Participant, Research Analyst, Mutual Fund Advisor/Distributor and also an application has been filed with Securities and Exchange Board of India for the registration of Company as a Portfolio Manager. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

#### **Requirement of Funds:-**

The following table summarizes the requirement of funds:

| S.No | Particulars   | Amt (₹ in Lacs) |
|------|---|-----------------|
| 1.   | To Meet Working Capital Requirement   | 1521.01         |
| 2.   | To Meet Capital Expenditure incurred for Branch expansion and distribution centre | 127.00          |
| 3.   | To Meet Sales and Marketing Expenditure   | 150.00          |
| 4.   | Public Issue Expenses   | 154.11          |
| 5.   | General Corporate Expenses  | 480.00          |
|      | <b>Gross Issue Proceeds</b>   | 2432.12         |
|      | <b>Less: Issue Expenses</b>   | 154.11          |
|      | <b>Net Issue Proceeds</b>   | 2278.01         |

**Utilisation of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

| S.No | Particulars   | Amt (₹ in Lacs) |
|------|---|-----------------|
| 1.   | To Meet Working Capital Requirement   | 1521.01         |
| 2.   | To Meet Capital Expenditure incurred for Branch expansion and distribution centre | 127.00          |
| 3.   | To Meet Sales and Marketing Expenditure   | 150.00          |
| 4.   | General Corporate Expenses  | 480.00          |
|      | <b>Total</b>  | <b>2278.01</b>  |

**Means of Finance:** - We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

| Particulars        | Amt (₹ in Lacs) |
|--------------------|-----------------|
| Net Issue Proceeds | 2278.01         |





|              |                |
|--------------|----------------|
| <b>Total</b> | <b>2278.01</b> |
|--------------|----------------|

*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Prospectus

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 14 of the Prospectus.

#### **Details of Use of Issue Proceeds:**

##### **1. To Meet Working Capital Requirement**

Our business is working capital intensive as the capital is invested in construction of projects. The Company will meet the requirement to the extent of ₹ 1521.01 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ in Lacs)

| S. No.    | Particulars                   | Actual (Restated) | Actual (Restated) | Provisional |
|-----------|-------------------------------|-------------------|-------------------|-------------|
|           |                               | 31-March-16       | 31-March-17       | 31-March-18 |
| <b>I</b>  | <b>Current Assets</b>         |                   |                   |             |
|           | Current Investments           | 0.00              | 2321.47           | 3500.00     |
|           | Inventories                   | 216.41            | 405.26            | 640.00      |
|           | Trade receivables             | 1850.08           | 1522.11           | 2185.48     |
|           | Cash and cash equivalents     | 3311.65           | 3296.94           | 4000.00     |
|           | Short Term Loans and Advances | 1632.24           | 1476.68           | 1085.00     |
|           | Other Current Assets          | 54.68             | 20.42             | 25.00       |
|           | <b>Total(A)</b>               | <b>7065.05</b>    | <b>9042.89</b>    | 11435.48    |
| <b>II</b> | <b>Current Liabilities</b>    |                   |                   |             |
|           | Trade Payables                | 1839.79           | 2343.52           | 2185.48     |
|           | Other Current Liabilities     | 1030.37           | 1140.71           | 1260.26     |



|     |  |                |                |         |
|-----|--|----------------|----------------|---------|
|     | Short-term Provisions                    | 324.23         | 450.61         | 500.00  |
|     | <b>Total (B)</b>                         | <b>3194.40</b> | <b>3934.84</b> | 3945.74 |
| III | <b>Total Working Capital Gap (A-B)</b>   | <b>3870.65</b> | <b>5108.05</b> | 7489.74 |
| IV  | Funding Pattern                          |                |                |         |
|     | Short term borrowing & Internal Accruals | 3870.65        | 5108.05        | 5958.73 |
|     | <b>IPO Proceeds</b>                      |                |                | 1521.01 |

## **2. To Meet Capital Expenditure incurred for Branch expansion and distribution centre**

As of the date of this Prospectus, we have 12 Branches located in the northern and western region in the cities of Delhi, Haryana, Maharashtra, Rajasthan and Uttar Pradesh. As a part of our strategy of increasing revenue by introducing, we intend to expand our Branches in the western and southern region of India. With the establishment of additional branches and distribution centres will enable us to implement superior operational control and increase cost efficiencies. We believe this will also enable us to further integrate our operations and help us to enter into new geographies where the demand for the stock brokering and depository services is high. We propose to invest ₹ 127.00 Lakhs from the Net Proceeds for the purpose of setting up of the Branch and Distribution centre.

## **3. To Meet Sales and Marketing Expenditure**

In order to strengthen our position in market, our Company intends to create awareness of its brand through advertising and various other promotional activities, which may include advertisements, endorsements, organising event and sponsorships. Our Company proposes to utilize ₹ 150.00 lacs from proceeds of the Fresh Issue towards enhancement of our Company's brand through advertising and other brand-building activities. Our Company believes that brand promotion activities would enable it to broaden its footprint in India.

In the past our Company's brand development has been fuelled through word of mouth by users/ dealers/ branches/ Authorised person based on their experience with us, our Company believes that increasing the awareness of our brand and services throughout rest of India would require direct marketing efforts and innovative strategies. Our strategies would comprise of undertaking the following activities:

- i. Enhancing image through standardization.
- ii. Advertising campaign through various media

## **4. General Corporate Purposes**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ 480.00 lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## **5. Public Issue Expenses:-**

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ 154.11 lakhs which is 5.84 % of the Issue Size. All the Issue related expenses shall be met out by the company and the same will be distributed among the company and the selling shareholders as per the applicable laws.

All the Issue related expenses and the break-up of the same is as follows:



| Activity   | (Rs .in Lacs)* |
|--|----------------|
| Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc | 146.36         |
| Printing and Stationery and postage expenses   | 2.25           |
| Advertising and Marketing expenses   | 2.50           |
| Statutory expenses   | 3.00           |
| <b>Total Estimated Issue Expenses</b>  | <b>154.11</b>  |

#### **Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)

| S. No. | Particulars   | Amount to be deployed and utilized in |               |               |
|--------|---|---------------------------------------|---------------|---------------|
|        |   | F.Y. 17-18                            | F.Y. 18-19    | F.Y. 19-20    |
| 1.     | To Meet Working Capital Requirement   | 1521.01                               | -             | -             |
| 2.     | General Corporate Purpose   | 480.00                                | -             | -             |
| 3.     | To Meet Capital Expenditure incurred for Branch expansion and distribution centre | 43.00                                 | 42.00         | 42.00         |
| 4.     | To Meet Sales and Marketing Expenditure   | 30.00                                 | 60.00         | 60.00         |
|        | <b>Total</b>  | <b>2074.01</b>                        | <b>102.00</b> | <b>102.00</b> |

#### **Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors M/s T. K. Gupta & Associates, Chartered Accountants vide their certificate dated September 13, 2017 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

| Particulars    | Amt (₹ in Lakh) |
|----------------|-----------------|
| Issue Expenses | 6.09            |
| <b>Total</b>   | <b>6.09</b>     |

#### **Sources of Financing for the Funds Deployed:**

Our Statutory Auditors M/s T. K. Gupta & Associates, Chartered Accountants vide their certificate dated September 13, 2017 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

| Particulars       | Amt (₹ in Lakh) |
|-------------------|-----------------|
| Internal Accruals | 6.09            |
| <b>Total</b>      | <b>6.09</b>     |

#### **Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### **Shortfall or excess of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans. However, if any surplus from the proceeds remains after meeting the cost as mentioned above, the same will be



used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

#### **Bridge Financing Facilities**

As on the date of the Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

#### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in the Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

#### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

#### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilisation of the Net Proceeds. Except for the proceeds from the Offer for Sale by the selling shareholders no part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.



## BASIC TERMS OF ISSUE

### Authority for the Present Issue

#### Fresh Issue

This Issue in terms of the Prospectus has been authorized by the Board of Directors pursuant to a resolution dated July 06, 2017 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on July 22, 2017 under section 62 (1) (c) of the Companies Act, 2013.

#### Offer for Sale

The Offer for Sale has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on July 06, 2017 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on July 22, 2017 under section 28 of the Companies Act, 2013. The Selling Shareholders Mr. Parveen Gupta, Mr. Rajesh Kumar Gupta, Mrs. Rekha Gupta, Mr. Yashpal Gupta, Mr. Sachin Gupta and Mrs. Tripti Gupta have authorised the sale of 5,00,000 Equity Shares pursuant to the Offer vide his authorisation letter dated July 05, 2017.

The Selling Shareholder have severally confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder has also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer.

#### Terms of the Issue

The Equity Shares, now being offered, are subject to the terms and conditions of the Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

|                                     |  |
|-------------------------------------|--|
| <b>Face Value</b>                   | Each Equity Share shall have the face value of ₹ 10.00 each.   |
| <b>Issue Price</b>                  | Each Equity Share is being offered at a price of ₹ 41.00 each and is 4.10 times of Face Value.   |
| <b>Market Lot and Trading Lot</b>   | The Market lot and Trading lot for the Equity Share is 3000 shares and the multiple of 3000 shares; subject to a minimum allotment of 3000 Equity Shares to the successful applicants.   |
| <b>Terms of Payment</b>             | 100% of the issue price of ₹ 41.00 each shall be payable on Application. For more details please refer “ <i>Terms of the Issue</i> ” beginning to page 271 of this Prospectus.   |
| <b>Ranking of the Equity Shares</b> | The Equity Shares being offered pursuant to this issue shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of Articles of Association</i> ” on page 319 of this Prospectus. |

### MINIMUM SUBSCRIPTION

In accordance with Regulation (106P) (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation (106P) (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive the subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblock the entire



subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed in the Companies Act, the SEBI (ICDR) Regulations and other applicable Laws, if any.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled “*Terms of the Issue*” beginning on page 271 of this Prospectus.



### BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 14, page 106 and page 171 respectively of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company and the Selling shareholder in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ 41.00 which is 4.10 times of the face value.

#### QUALITATIVE FACTORS

1. Experienced Promoters and management team.
2. Diversified yet integrated mix of business.
3. Long term relationship with the clients
4. Strong Risk Management System

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 106 of this Prospectus.

#### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please see the section entitled “**Financial Information of the Company**” on page 171 of this Prospectus.

##### 1. Basic and Diluted Earnings per Share (“EPS”), as adjusted for change in capital on Standalone basis:

| Period                  | Basic & Diluted (₹) | Weights |
|-------------------------|---------------------|---------|
| FY 2014-15              | 1.87                | 1       |
| FY 2015-16              | 3.43                | 2       |
| FY 2016-17              | 4.40                | 3       |
| <b>Weighted Average</b> | <b>3.65</b>         |         |

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “**Earnings per Share**” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

##### 2. Basic and Diluted Earnings per Share (“EPS”), as adjusted for change in capital on Consolidated basis:

| Period                  | Basic & Diluted (₹) | Weights |
|-------------------------|---------------------|---------|
| FY 2015-16              | 3.43                | 1       |
| FY 2016-17              | 4.34                | 2       |
| <b>Weighted Average</b> | <b>4.04</b>         |         |

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “**Earnings per Share**” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

##### 3. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 41.00:





| S. No | Particulars   | P/E   |
|-------|---|-------|
| 1     | P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17  | 9.32  |
| 2     | P/E ratio based on the Weighted Average EPS, as restated for FY 2016-17 | 11.23 |

#### Peer Group P/E\*

| S. No | Particulars                                  | P/E    |
|-------|--|--------|
| 1     | Highest (Inventure Growth & Securities Ltd.) | 210.00 |
| 2     | Lowest (Prime Securities Limited)            | 4.60   |
|       | <b>Industry Composite</b>                    | 59.02  |

\*Source: ACE Equity data dated September 13, 2017

#### 4. Return on Net worth (RoNW)\*

| S. No | Period                  | Standalone   |         | Consolidated |         |
|-------|-------------------------|--------------|---------|--------------|---------|
|       |                         | RoNW (%)     | Weights | RoNW (%)     | Weights |
| 1.    | FY 2014-15              | 19.25        | 1       | -            | -       |
| 2.    | FY 2015-16              | 25.21        | 2       | 24.80        | 1       |
| 3.    | FY 2016-17              | 24.63        | 3       | 24.10        | 2       |
|       | <b>Weighted Average</b> | <b>23.93</b> |         | <b>24.33</b> |         |

\*Restated Profit after tax/Net Worth

#### 4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

- (a) Based on Basic and Diluted EPS, as restated of FY 2016-17 of ₹ 4.40 at the Issue Price of ₹ 41.00:
- 18.73 % on the restated financial statements.
- (b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 3.65 at the Issue Price of ₹ 41.00:
- 15.54 % on the restated financial statements.

#### 5. Net Asset Value (NAV) per Equity Share :

| Sr. No. | As at              | Standalone NAV (₹)* | Consolidated NAV (₹)* |
|---------|--------------------|---------------------|-----------------------|
| 1.      | March 31, 2015     | 9.74                | -                     |
| 2.      | March 31, 2016     | 13.59               | 13.82                 |
| 3.      | March 31, 2017     | 17.87               | 18.10                 |
| 4.      | NAV after Issue    | 23.49               | 23.66                 |
|         | <b>Issue Price</b> | 41.00               | 41.00                 |

\*Based on the Face value of Rs. 10 each and adjusted on the basis of weighted average number of shares considering the Bonus Issue at the ratio of 3:1 dated July 22, 2017.

#### 6. Comparison of Accounting Ratios with Industry Peers<sup>1</sup>

| S. No. | Name of Company                             | Face Value (₹) | EPS (₹)           | PE                | RoNW (%) | Book Value (₹)     |
|--------|---|----------------|-------------------|-------------------|----------|--------------------|
| 1.     | Aditya Birla Money Ltd.                     | 1.00           | 1.31              | 74.43             | 25.48%   | 6.08               |
| 2.     | Emkay Global Financial Services Ltd.        | 10.00          | 4.99              | 61.15             | 9.45%    | 58.46              |
| 3.     | Edelweiss Financial Services Ltd.           | 1.00           | 7.26              | 34.87             | 13.72%   | 52.98              |
| 4.     | Motilal Oswal Financial Services Ltd.       | 1.00           | 25.14             | 50.16             | 22.63%   | 130.24             |
| 5.     | Share India Securities Limited <sup>2</sup> | 10.00          | 4.34 <sup>3</sup> | 9.44 <sup>4</sup> | 24.10%   | 18.10 <sup>5</sup> |

<sup>1</sup>\*Source: ACE Equity data dated September 13, 2017

<sup>2</sup>Based on March 31, 2017 restated Consolidated financial statements

<sup>3</sup>Basic & Diluted Earnings per share (EPS), as adjusted



<sup>4</sup> Price Earning (P/E) Ratio in relation to the Issue Price of ₹41.00 per share

<sup>5</sup> Book Value has been calculated based on the weighted average number of shares of the company. Considering the nature of business of the company the peers are not strictly comparable, however same have been included for board comparison.

7. The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 41.00 per share is 4.10 times of the face value.
8. Our Company and selling shareholder in consultation with the Lead Manager believes that the Issue Price of ₹ 41.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

Investors should read the above mentioned information along with section titled “**Our Business**”, “**Risk Factors**” and “**Financial Information of the Company**” beginning on page 106, 14 and 171 respectively including important profitability and return ratios, as set out in “**Annexure Q – Statement of Mandatory Accounting Ratios**” to the Financial Information of the Company on page 193 of this Prospectus to have a more informed view.



**STATEMENT OF TAX BENEFITS**

To,  
**The Board of Directors,**  
**Share India Securities Limited**  
6th Milestone, New Bhai –Chara Complex,  
Opp Mata Mandir, Chikambarpur UP Border,  
Sahibabad ,UP-201006 India

Dear Sir,

**Sub: Statement of Possible Tax Benefits (“The Statement”) available to Share India Securities Limited (“The Company”) and its shareholders prepared in accordance with the requirement in SCHEDULE VIII- CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“The Regulation”)**

We hereby report that the enclosed annexure prepared by Share India Securities Limited, states the possible special Tax benefits available to Share India Securities Limited(the Company”) and the shareholders of the Company under the Income - Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company Further , the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Issue”) by the Company.

We do not express any opinion or provide any assurance as to whether:

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For T.K. Gupta & Associates.**  
**Chartered Accountants**  
**Firm Registration No. 011604N**

**(CA T.K. Gupta)**  
**Partner**  
**Membership No. 082235**  
**Date: 17.08.2017**  
**Place: Delhi**



**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS**

*The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

**A. SPECIAL TAX BENEFITS TO THE COMPANY** **NIL**

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER** **NIL**

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement



## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

#### **GLOBAL ECONOMY: RECENT DEVELOPMENTS**

The global economic recovery in 2015-16 remained at an ever slowing and increasingly fragile pace. Recovery in advanced economies was still hampered by the legacies of the global financial crisis, low growth in productivity and unfavourable demographic developments. Major macroeconomic realignments are affecting prospects differentially across countries and regions. These include the slowdown and rebalancing in China; a further decline in commodity prices, especially for oil, with sizable redistributive consequences across sectors and countries; a related slowdown in investment and trade; and declining capital flows to emerging markets and developing economies. The world output was projected to have grown by 3.1 per cent in 2015 (3.4 per cent in 2014) with the advanced economies growing by 1.9 per cent (1.8 per cent in 2014), the emerging market and developing economies (EMDEs) by 4.0 per cent (4.6 per cent in 2014) and the emerging and developing Asia by 6.6 per cent (6.8 per cent in 2014); 2015, thus, marked the fifth consecutive year of declining growth for EMDEs.

In the United States, in spite of overall improvement in labour market conditions, economic growth weakened with weaker external as well as domestic demand and a decline in non-residential investments. The euro area recovered on the back of strengthening domestic demand, while Japan continued to reel from a sharp drop in private consumption. Concerns heightened during 2015 about the unwinding of prior excesses in China as it transitioned to a more balanced growth path, the recession in Brazil and Russia and weaker terms of trade and tighter external financial conditions in many of the oil exporting countries. As per the IMF estimates, in 2015, the United States is projected to have grown by 2.4 per cent (2.4 per cent in 2014), the euro area by 1.6 per cent (0.9 per cent in 2014), Japan by 0.5 per cent (0.0 per cent in 2014), China by 6.9 per cent (7.3 per cent in 2014), while Brazil registered a decline in output of 3.8 per cent (growth of 0.1 per cent in 2014) and Russia too shrunk by 3.7 per cent (growth of 0.7 per cent in 2014) (Table 1.1).

The sharp fall in commodity prices brought about headline inflation in advanced economies of 0.3 per cent in 2015 (1.4 per cent in 2014), the lowest since the global financial crisis. Lower oil and commodity prices exerted downward pressure on inflation in many EMEs, though inflation rose in some countries like Brazil and Russia due to sizable currency depreciations. On average, inflation hovered at 4.7 per cent in EMDEs in 2015 (4.7 per cent in 2014).

Concerns about lack of policy space in advanced economies to respond to a potential worsening in the outlook, the impact of very low oil prices and the slowdown in China triggered volatility in global financial markets in 2015. The IMF attributed the market turbulence largely to concerns regarding the prospects of the financial sector relating to fears of a persistent softening in global growth and its impact on already weak profitability, unaddressed debt overhang legacies, changes in the regulatory environment in Europe, exposure to the commodity sector and persistently low interest rates.

The policy stance remained very accommodative but with asymmetric shifts. In December 2015, while the US Federal Reserve raised policy rates above the zero lower bound for the first time since 2009 and communicated that any further policy actions will remain data dependent, the European Central Bank (ECB) moved further in following an unconventional monetary policy. The Bank of Japan (BoJ) introduced a negative interest rate on marginal excess reserves in January 2016. Many of the commodity exporting EMDEs raised policy rates in 2015 to rein in currency depreciation and associated changes in inflation and inflation expectations.



|  | 2014 | 2015 |
|--|------|------|
| World                                    | 3.4  | 3.1  |
| Advanced Economies                       | 1.8  | 1.9  |
| United States                            | 2.4  | 2.4  |
| Euro Area                                | 0.9  | 1.6  |
| Japan                                    | 0.0  | 0.5  |
| Emerging Market and Developing Economies | 4.6  | 4.0  |
| Emerging and Developing Asia             | 6.8  | 6.6  |
| Brazil                                   | 0.1  | -3.8 |
| China                                    | 7.3  | 6.9  |
| Russia                                   | 0.7  | -3.7 |
| India                                    | 7.2  | 7.3  |

Source: International Monetary Fund, World Economic Outlook (April 2016).

(Source – SEBI Annual Report 2015-16)

### Indian Economy Outlook

India remains the fastest growing economy in the world - economic fundamentals are strong, and reform momentum continues. GST is on track for implementation in the second quarter of the fiscal year, and is expected to yield substantial growth dividends from higher efficiencies, and raise more revenues in the long term, according to a new World Bank report released today. While, agriculture growth delivered in 2016-2017, the report notes that investment growth remains subdued, partly because of banking sector stress.

The report also highlights the low and falling participation of women in the labor market. For India to achieve higher growth, it needs to create safe, flexible and well-paying jobs for a large number of women who are currently not in the labor market.

The report says the fundamentals of the Indian economy remain strong, with robust economic growth, strong fiscal consolidation, low current account deficit, higher agricultural output, growing FDI, low inflation and higher wages in rural areas. Favorable monsoons boosted agriculture and rural consumption, while urban consumption remained robust and exports rebounded in the third quarter of 2016-2017.

Timely and smooth implementation of landmark reforms such as the GST and a new code to deal with bankruptcies, as well as decisive action to resolve the NPA challenge of public sector banks, is crucial to enhance the economy's potential growth, says the May 2017 edition of the Indian Development Update.

The report notes that India will achieve a major reform of indirect taxes through the GST without increasing the burden on the poor. Given the efficiency and revenue gains that the reform will eventually achieve, the overall impact of the GST on equity and poverty is likely to be positive.

“India remains the fastest growing economy in the world and it will get a big boost from its approach to GST which will - reduce the cost of doing business for firms, reduce logistics costs of moving goods across states, while ensuring no loss in equity,” said Junaid Ahmad, World Bank Country Director in India. “Low female labor force participation, however, remains a serious concern. Higher level of women participation in the economy can help propel India closer to double digit growth”.

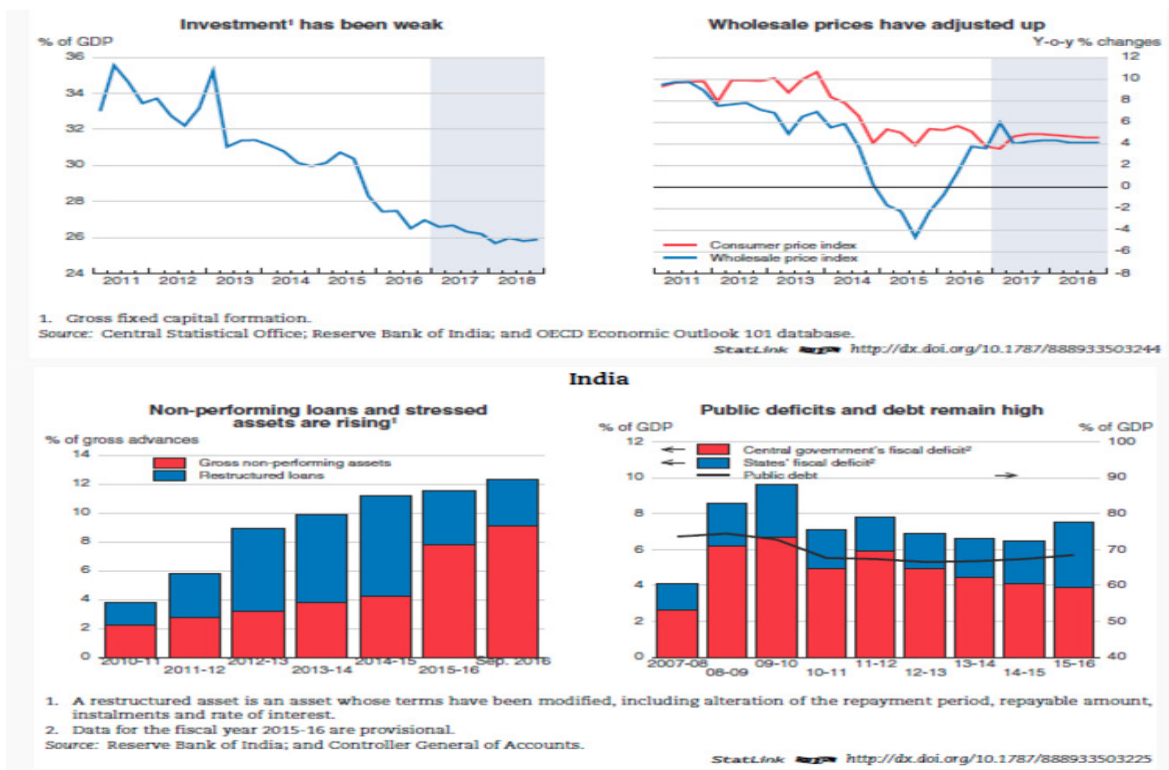
Demonetization has potential to bring positive transformation

India's economy was slowing down in early FY17, until the favorable monsoon started lifting the economy, but the recovery was temporarily disrupted by the government's "demonetization" initiative. On November 8, 2016, the government demonetized (i.e. removed legal tender status from) an estimated 23 billion INR 500 and INR1000 banknotes, corresponding to 86 percent of India's currency in circulation. Demonetization caused an immediate cash crunch, and activity in cash reliant sectors was affected. GDP growth slowed to 7.0 per cent year-on-year (y/y) during the third quarter of 2016-2017 from 7.3 percent in the first quarter.

As a result, a modest slowdown is expected in the GDP growth in FY 2016-2017 to 6.8 percent. According to the Update, growth is expected to recover in FY 2017-2018 to 7.2 percent and is projected to gradually increase to 7.7 percent in FY 2019-2020.



(Source: - <http://www.worldbank.org/en/news/press-release/2017/05/29/india-economic-fundamentals-remain-strong-investment-pick-up-needed-sustained-growth-says-new-world-bank-report>)



(Source: - <http://www.oecd.org/economy/india-economic-forecast-summary.htm>)

## TRENDS AND OPERATIONS IN THE SECURITIES MARKET

### PRIMARY SECURITIES MARKET

In 2015-16, activity in the primary market showed signs of moderate growth as reflected in resource mobilisation by the corporate sector. A healthy and regulated primary market is vital for maintaining the confidence of issuers, intermediaries and investors. In order to keep pace with the changing economic environment and to address concerns of various market participants, especially issuers and the investing community, regulations governing the primary market have been amended from time to time. Such reviews are intended to facilitate easy capital mobilisation by companies while ensuring adequate investor protection. Streamlining of the public issue process, facilitating capital raising by start-ups, simplifying the procedure of delisting by small companies and SEBI's notification (Listing Obligations and Disclosure Requirements) Regulations, 2015 were some important developments that took place in 2015-16.

During 2015-16, 108 companies accessed the primary market and raised ₹ 58,166 crore through 95 public and 13 rights issues, as against 88 companies which raised ₹ 19,202 crore in 2014-15 through public (70) and rights issues. At 74, the number of IPOs in 2015-16 was higher as compared to 46 in 2014-15. Of the 74 IPOs, 50 have been listed on the SME platform. The amount raised through IPOs in 2015-16 was higher at ₹ 14,815 crore as compared to ₹ 3,039 crore during 2014-15. As in the previous year, there was no FPO in 2015-16. The share of public issues in the total resource mobilisation increased to 84.1 per cent during 2015-16 from 64.8 per cent during 2014-15; while the share of rights issues decreased from 35.2 per cent in 2014-15 to 15.9 per cent in 2015-16. (Chart 2.1) The share of debt issues in total resource mobilisation stood at 58.6 per cent and that of equity issues at 41.4 per cent in 2015-16. The IPO issues that opened in 2015-16 received an overwhelming response from the investors as out of 24 issues that opened during the year, seven were oversubscribed more than 20 times. Three IPOs were oversubscribed 30-40 times, while one IPO was oversubscribed by 70-80 times.

The SME platform of the exchange is intended for small and medium sized companies with high growth potential and post issue paid up capital less than or equal to ₹ 25 crore. In 2015-16, 50 companies were listed on





SME platform raising a total amount of ₹ 379 crore as compared to ₹ 278 crore raised through 39 issues in 2014-15, registering an increase of 36.6 per cent in resource mobilisation.

(Source – SEBI Annual Report 2015-16)

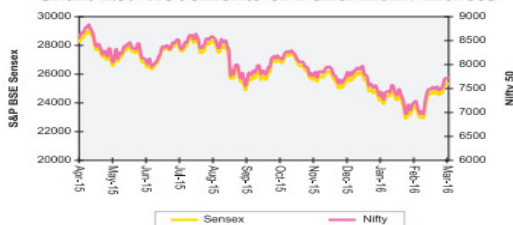
**SECONDARY SECURITIES MARKET**

During 2015-16, Indian equity markets remained subdued mainly on account of the turmoil in global equity markets in August 2015. During the financial year, the benchmark indices S&P BSE Sensex (henceforth referred to as Sensex) and Nifty 50 (henceforth referred to as Nifty) decreased by 9.4 and 8.9 per cent respectively over March 31, 2015 (Chart 2.3). The Sensex closed at 25,342 on March 31, 2016, registering a decrease of 2,616 points over 27,957 as on March 31, 2015. The Nifty decreased by 753 points to close at 7,738 on March 31, 2016 over 8,491 at the end of March 31, 2015.

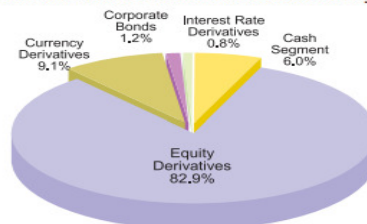
The benchmark indices Sensex and Nifty reached their maximum on April 13, 2015, when they touched the highest levels of 29,044 and 8,834 respectively. The lowest level attained by Sensex was 22,952 on February 11, 2016 while Nifty touched a low of 6,971 on February 25, 2016. The biggest gain in Sensex and Nifty was observed on March 1, 2016 when both the indices appreciated by 3.4 per cent. Both the indices registered their biggest fall of 5.9 per cent on August 31, 2015.

In the cash segment, the turnover at BSE and NSE declined by 13.4 per cent and 2.1 per cent respectively during 2015-16 as compared to a rise of 63.9 per cent and 54.2 per cent, respectively during the previous financial year. In the derivatives segment, the turnover at BSE decreased by 78.0 per cent while the turnover at NSE increased by 16.6 per cent during 2015- 16 as compared to an increase of 120.9 per cent at BSE and 45.5 per cent at NSE during 2014-15. The Metropolitan Stock Exchange of India Ltd. (MSEI) recorded insignificant volumes in the cash segment and no trading was observed in its equity derivatives segment.

**Chart 2.3: Movements of Benchmark Indices**



**Chart 2.4: Value Traded in the Secondary Market**



Source: BSE, NSE and MSEI

(Source – SEBI Annual Report 2015-16)

**DEMATERIALIZATION**

Dematerialisation is the process through which securities in physical form are converted to electronic form. Dematerialisation allows investors to handle investments in an effective manner. Dematerialisation of shares has been an important milestone in Indian capital markets as it has stirred the micro-structure of markets in general and of stock exchanges in particular. At the end of March 2016, there were 145.7 lakh demat accounts at the National Securities Depository Limited (NSDL) and 107.9 lakh demat accounts at the Central Depository Services (India) Limited (CDSL); 15,638 companies had signed up for dematerialisation at NSDL and 10,021 at CDSL as on March 31, 2016 (Table 2.31). The quantity of dematerialised securities at NSDL increased by 18.6 per cent to 1,10,02,089 lakh in 2015-16 from 92,73,570 lakh in 2014-15. At CDSL, the quantity of dematerialised securities increased by 10.5 per cent from 20,60,123 lakh in 2014-15 to 22,75,489 lakh in 2015-16. The number of shares settled in demat form and the value of shares settled in demat form decreased at both NSDL and CDSL. Similarly the quantity of securities in demat form and their value observed an increase at both NSDL and CDSL in 2015-16. At NSDL, the total value of demat settled shares decreased by 2.9 per cent from ₹ 20,69,409 crore in 2014-15 to ₹ 20,09,725 crore in 2015-16. At CDSL, too, the value of shares settled in demat decreased by 12.1 per cent from ₹ 5,48,511 crore in 2014-15 to ₹ 4,82,355 crore in 2015-16. The ratio of dematerialised equity shares to total outstanding shares of listed companies was 85.4 per cent at NSDL and 12.8 per cent at CDSL at the end of 2015-16.

Table 2.31: Depository Statistics

| Particulars   | NSDL        |             | CDSL        |           |
|---|-------------|-------------|-------------|-----------|
|   | 2014-15     | 2015-16     | 2014-15     | 2015-16   |
| No. of investor accounts (lakh)   | 137.1       | 145.7       | 96.1        | 107.9     |
| No. of companies signed up (listed and unlisted)                                    | 13,992      | 15,638      | 9,399       | 10,021    |
| No. of companies available for demat  | 13,992      | 15,638      | 9,399       | 10,021    |
| Quantity of securities in demat form (lakh) (at the end of period)                  | 92,73,570   | 1,10,02,089 | 20,60,123   | 22,75,489 |
| Value of securities in demat form (₹ crore) (at the end of period)                  | 1,17,48,315 | 1,17,15,667 | 13,94,264   | 13,26,797 |
| No. of shares settled in demat (lakh) (during the year)                             | 9,94,044    | 9,04,610    | 7,38,781    | 6,22,416  |
| Value of shares settled in demat (₹ crore) (during the year)                        | 20,69,409   | 20,09,725   | 5,48,511    | 4,82,355  |
| Market capitalisation of companies in demat (₹ crore)                               | 1,02,20,679 | 96,04,113   | 1,02,66,671 | 95,55,796 |
| Ratio of dematerialised equity shares to total outstanding shares listed (per cent) | 85.0        | 85.4        | 13.6        | 12.8      |

Note: Securities includes common equity shares, preferential shares, mutual fund units, debentures and commercial papers.

Source: NSDL and CDSL.

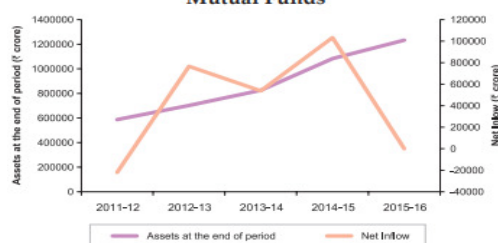
## MUTUAL FUNDS

In 2015-16, mutual funds showed a positive growth in terms of net resource mobilisation. The gross mobilisation of resources by all mutual funds was ₹ 1,37,65,555 crore compared to ₹ 1,10,86,259 crore during the previous year, showing an increase of 24.2 per cent over the previous year (Table 2.57). Correspondingly, redemption increased by 24.1 per cent to ₹ 1,36,31,374 crore in 2015-16 from ₹ 1,09,82,971 crore in 2014-15. The net resources mobilised by all the mutual funds in 2015-16 was ₹ 1,34,180 crore compared to net mobilisation of ₹ 1,03,287 crore in 2014-15, showing a rise of 30 per cent. In equity oriented schemes there was a net inflow of ₹ 74,026 crore in 2015-16. The AUM of mutual funds industry has witnessed a constant growth and it increased by nearly ₹ 6.41 lakh crore in last five years. The cumulative net assets of all mutual funds as on March 31, 2016 was ₹ 12,32,824 crore as against ₹ 10,82,757 crore on March 31, 2015, representing an increase of 13.9 per cent (Chart 2.20).

Table 2.57: Resource Mobilisation by Mutual Funds (₹ crore)

| Year    | Gross Mobilisation | Gross Redemption | Net Inflow | Assets at the end of period | Average Assets at the end of period (AAUM) |
|---------|--------------------|------------------|------------|-----------------------------|--|
| 2014-15 | 1,10,86,259        | 1,09,82,971      | 1,03,287   | 10,82,757                   | 12,07,721                                  |
| 2015-16 | 1,37,65,555        | 1,36,31,374      | 1,34,180   | 12,32,824                   | 13,55,156                                  |

Chart 2.20: Trends in Resource Mobilisation by Mutual Funds



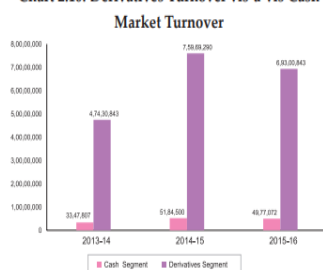
(Source – SEBI Annual Report 2015-16)

## DERIVATIVE

The equity derivatives segment is the most vibrant, active and dominant segment in the Indian securities market. Over the years, there has been manifold increase in its volumes - both in terms of the number of contracts traded as well as traded value and products traded. India holds a significant place in the arena of world derivatives markets. In recent years the equity derivatives segment has been the most traded and valued segment. Its turnover to GDP ratio for 2015-16 stood at 511, which in itself illustrates the kind of liquidity that this market has. The World Federation of Exchanges (WFE) in its 2015 report said that the traded volumes exceeded 2011 levels and the Asia Pacific region was responsible for a large proportion of this growth. According to the report, NSE accounted for nearly 50 per cent of total global volumes in stock index options. The total turnover in 2015-16 in the derivatives segment was approximately 14 times the turnover in the cash market, but was 8.8 per cent lower than the total futures and options (F&O) turnover recorded in 2014-15 (Chart 2.10). NSE had a majority share in trading volumes at 93.5 per cent in 2015-16, while BSE contributed only 6.5 per cent, a marked decline from the previous year's contribution of 26.8 per cent. The total number of contracts traded in NSE's derivative segment increased by 14.2 per cent to 209.8 crore in 2015-16 from 183.7 crore in 2014-15; whereas, at BSE the number of contracts traded decreased significantly by 79.0 per cent from 50.5 crore in 2014-15 to 10.6 crore in 2015-16. The value of the contracts traded in NSE's equity derivatives segment increased by 16.6 per cent to ₹ 6.48 crore in 2015-16 from ₹ 5.56 crore in 2014-15, whereas the turnover in the equity derivatives segment at BSE was more than halved to ₹ 44,75,008 crore in 2015-16 from ₹ 2,03,62,741 crore in 2014-15. MSEI recorded no turnover during the year. The open interest in NSE's derivative segment decreased by 13.9 per cent

from ₹ 1,79,344 crore at the end of 2014-15 to ₹ 1,54,411 crore at the end of 2015-16; whereas at BSE, the open interest for 2015-16 was less than one per cent of the previous year's figure of ₹ 1,001 crore.

Chart 2.10: Derivatives Turnover vis-à-vis Cash



Source: BSE and NSE

Table 2.44: Trends in the Currency Derivatives Segment

| Year    | MSEI                    |                    |  | NSE                     |                    |  | USE                     |                    |  | BSE                     |                    |  |
|---------|-------------------------|--------------------|--|-------------------------|--------------------|--|-------------------------|--------------------|--|-------------------------|--------------------|--|
|         | No. of Contracts Traded | Turnover (₹ crore) | Open interest at the end of year (₹ crore) | No. of Contracts Traded | Turnover (₹ crore) | Open interest at the end of year (₹ crore) | No. of Contracts Traded | Turnover (₹ crore) | Open interest at the end of year (₹ crore) | No. of Contracts Traded | Turnover (₹ crore) | Open interest at the end of year (₹ crore) |
| 2014-15 | 9,64,78,369             | 6,49,925           | 2,292                                      | 48,06,64,694            | 30,23,908          | 20,793                                     | 81,61,866               | 52,186             | 58   | 21,24,34,540            | 19,08,543          | 4,161                                      |
| 2015-16 | 4,88,58,281             | 3,24,576           | 2,162                                      | 67,35,83,164            | 45,01,886          | 19,523                                     | Na                      | Na                 | Na   | 28,06,35,711            | 18,50,359          | 5,983                                      |

Note: USE was merged with BSE vide the Bombay High Court order dated April 24, 2015

Source: MSEI, NSE, USE and BSE.

Currency derivatives in Indian markets are traded on BSE, NSE, and MSEI. The United Stock Exchange (USE) has merged with BSE vide the Bombay High Court order dated April 24, 2015. During 2015-16, the total turnover was the highest at NSE (₹ 45,01,886 crore), followed by BSE (₹ 18,50,359 crore) and MSEI (₹ 3,24,576 crore). NSE accounted for 67.4 per cent of the total turnover in the currency segment followed by BSE (27.7 per cent), and MSEI (4.9 per cent) (Table 2.44).

(Source – SEBI Annual Report 2015-16)

## STOCK BROKERS & CLEARING MEMBERS

During 2015-16, 63 stock brokers and 60 clearing members were registered with SEBI. Further, 54 stock brokers and 47 clearing members surrendered their certificate of registration during 2015-16. Details of registered stock brokers (stock exchange-wise) and details of registered clearing members (clearing corporation-wise) are given in Tables 3.8 and 3.9.

Table 3.8: Registered Stock Brokers

| Details  | BSE  | NSE  | MSEI |
|--|------|------|------|
| Registered Stock Brokers in the beginning of the year (as on 01/04/2015) | 1353 | 1328 | 529  |
| Addition during the Year 2015-16   | 35   | 26   | 2    |
| Cancellation/ Surrender of Memberships                                   | 27   | 27   | 0    |
| Registered Stock Brokers as on March 31, 2016                            | 1361 | 1327 | 531  |

Source: BSE, NSE and MSEI.

Table 3.9: Registered Clearing Members

| Details   | ICCL | NSCCL | MSEI CCL |
|---|------|-------|----------|
| Registered Clearing Members in the beginning of the year (as on 01/04/2015) | 1353 | 1324  | 529      |
| Addition during the Year 2015-16  | 35   | 23    | 2        |
| Cancellation / Surrender of Memberships                                     | 27   | 20    | 0        |
| Registered Clearing Members as on March 31, 2016                            | 1361 | 1327  | 531      |

Source: Clearing Corporations.

(Source – SEBI Annual Report 2015-16)



## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” beginning on page 14, 228 and 171 respectively of this Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “SISL”, “Share India Securities Limited.”, ‘the Company’, ‘our Company’ and ‘the Company’ and the terms ‘we’, ‘us’ and ‘our’, are to Share India Securities Limited.*

### OVERVIEW

Our Company was incorporated on July 12, 1994 as “FMS Securities Limited” as a Public Limited Company with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong. In the year 2000, Our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the management of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mr. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat. Later, pursuant to scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon’ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited and fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, NCT of Delhi and Haryana on July 15, 2010. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 pursuant to Company Law Board, New Delhi Bench order dated April 17, 2012.

Our company is currently engaged in the business of equity broking, investing and trading activities. Along with this we are also providing the services as a Depository Participant, Research Analyst, Mutual Fund Advisor/Distributor and also an application has been filed with Securities and Exchange Board of India for the registration of Company as a Portfolio Manager. Our Company got registered with SEBI as Stock Broker (Member of BSE) in the year 2000 and started the Stock Brokering operations. Later during the year 2007-08 we got registered as a trading and clearing member of Bombay Stock Exchange (BSE). Post the merger of the company we got registered with SEBI as Stock Broker, Trading and Clearing Member of National Stock Exchange of India (NSE) in the year 2012. With the introduction of the Future and option segment into the Indian capital market the company became Member under future & Option (F&O) Segment also. Currently, The Company is providing broking services in Equity, Currency derivative and Future & Options segment of National Stock Exchange of India Limited and BSE Limited

Post this development, we focused on trading and broking segment particularly for High Net worth clients. Further, in order to target new HNI & retail customers and to expand our business operations, we setup our branches in New Delhi and Noida We currently have a network of around 5 sub brokers and 173 Authorised persons registered with us in BSE and 03 sub brokers and 163 Authorized persons in NSE all over India catering to the needs of our clients.

Looking into the opportunities in the Depository and Participants business we also forayed into the depositories business. We received the permanent registration from SEBI as Participant of the CDSL depositories in the year 2015. With the plan to further expand our business in the depository Participant we opened a Branch depository participant at Hissar, Haryana. We are also engaged in the business of Mutual Fund activities and has taken the membership of AMFI. Our Company is also engaged in making proprietary investments in various tradable securities. We invest in both securities and derivatives with sufficient liquidity. The investment strategies are mostly to earn arbitrage gain done based on analysis and investment rationale. With a plan to further diversify the operations of the company from share trading and brokering service our company has entered into the Research Analysis business and also applied for the registration for Portfolio management services.

Our Promoters Mr. Parveen Gupta, Mr. Rajesh Gupta, Mr. Sachin Gupta and Mr. Yash Pal Gupta are responsible for the growth achieved by the company in the past. With the experience and knowledge of our promoters about the intricacies of the Indian Stock Market, we have received the support and guidance because of which we were able to grow our turnover in leaps and bounds. Our Promoters’ unique ideas and innovative solutions to the various operational problems along with the hardworking team are the main strength of our Company.





For the Fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 our total revenue stood at 10635.98 Lakhs, 6065.07 Lakhs, 3009.78 lakhs & 1820.72 Lakhs respectively. Further, our EAT for the Fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 were 813.82 Lakhs, 627.75 Lakhs, 334.71 Lakhs & 57.04 Lakhs respectively. We have been able to increase our revenue at an annual growth rate of 55.47 % from fiscal 2014 until fiscal 2017..

## **CERTIFICATIONS & RECOGNITIONS RECEIVED BY OUR COMPANY**

Some of the prominent certifications and recognitions received by our Company are the following:-

- Our company has received an award for appreciation for our contribution in the 1 crores Demat accounts opened by CDSL.
- Our company has been accredited with certificate for being among the top performing members for the year 2015-16 in equity and equity derivatives segment of the National Stock Exchange of India Limited.
- Our company has been accredited with certificate for being among the top performing members for the year 2015-16 in Currency derivative segment of the National Stock Exchange of India Limited.

## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters and management team.**

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoters' viz. Mr. Parveen Gupta, Mr. Rajesh Gupta, Mr. Sachin Gupta and Mr. Yash Pal Gupta with their knowledge and experience are well assisted by our Key Managerial Persons who have helped us to have long term relations with our customers and have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

### **2. Diversified yet integrated mix of business.**

Our company is engaged in the business of Share broking and trading services in Equity, Future & Options and Currency Derivatives segments and has the membership in the cash, future and options and currency derivatives segments of both BSE and NSE, Depository Participant services with CDSL and is also providing Mutual fund investment services to clients. Apart from the above we have also entered into proprietary trading (own account trading) activities also. With our wide range of services our company is able to cater to the demand so fall our customers under one roof.

### **3. Long term relationship with the clients**

Our Company believes in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions and faster resolution of customer complaints, if any, has helped us to establish long-term relationships with high net worth clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

### **4. Strong Risk Management System**

We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, including instruments, strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cashflow. We periodically review and modify such procedures, as necessary or appropriate. These procedures cover our internal control system, customer margin requirement and risk management of relationship managers.

## **OUR BUSINESS STRATEGIES**

### **1. Entering into new geographies**



We are currently located in Ghaziabad, New Delhi, Jaipur and Mumbai. Going forward we plan to establish our presence in the western and central region and we intend to set up branch offices in major cities. Our emphasis is on expanding the scale of our operations as well as growing our network across India, which we believe will provide attractive opportunities to grow our client base and revenues.

## 2. Continue to develop client relationships

We plan to grow our business primarily by growing the number of client relationships, as we believe that increase in client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

## 3. Attract and retain talented employee

Employees are essential for the success of every organization. We constantly intend to continue our focus on providing healthy and comfortable work climate for our employees and provide various programs and benefits for the personal well-being and career development. We intend to strive to further reduce the employee attrition rate and retain more of our employees to facilitate our future expansion by providing them with better and healthier working environment.

## 4. Competitive Pricing

To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the competition and claim a position of strength in the marketplace.

## 5. Optimize operational efficiencies

Since the beginning, the thrust of our Company has been in pursuing the most economical model in every aspect of manpower and installations to enable ourselves to achieve operational efficiencies. We shall continue to invest in technology and related platforms to increase our operational efficiencies. We believe that investment in technology / automation tools can improve staff productivity, enabling our people to handle more transactions / challenges and improve quality of services.

## OUR LOCATION

|                          |  |
|--------------------------|--|
| <b>Registered Office</b> | 6th Milestone, New Bhai Chara Complex, Opp. Mata Mandir, Chikambarpur, Up Border, Sahibabad, Uttar Pradesh-201006, India                           |
| <b>Corporate Office</b>  | 14, Dayanand Vihar, Delhi-110092, India  |
| <b>Branch Office</b>     | 518, 5 <sup>th</sup> Floor, Ocean Complex, Sector-18, Noida, Distt. Guatam Budh Nagar, U.P.-201301, India  |
|                          | 301 & 02, 3 <sup>rd</sup> Floor, 13, Yamuna Tower, Saini Enclave, Delhi-110092, India  |
|                          | Unit No.A-241 & 242 Second Floor, Pacific Bussiness Park, Plot No.37/1, Site-IV, Sahibabad Industrial Area, Ghaziabad, Uttar Pradesh-201010, India |
|                          | 219-220, Krishan Square, JDA Shopping Centre, Subhash Nagar, Jaipur, Rajasthan, India  |
|                          | Shop No-8, Ground Floor, Eden Gardens, Mahavir Nagar, Kandivali (West), Mumbai-400067, India   |
|                          | B-49/7, Site-IV, Sahibabad Industrial Area, Sahibabad, Ghaziabad, UP-201010, India   |
|                          | Unit No-607, B2B Centre Co-operative Premises Society Ltd., Kanchpada, Off Link Road, Malad (West), Mumbai-400064, India                           |
|                          | 22, Aggarsain Market, Opposite Post Office, Hissar, Haryana-125001   |
|                          | A-86, 2 <sup>nd</sup> Floor, Ashok Vihar, Phase-3, Delhi-110052  |
|                          | House No. B-3, 2 <sup>nd</sup> Floor, 60 Feet Road, PulPehladpur, New Delhi-110044   |

## SWOT ANALYSIS

|   |   |
|---|---|
| <b>Strengths</b> <ul style="list-style-type: none"> <li>Competitive Pricing.</li> <li>Good quality services.</li> </ul> | <b>Weakness</b> <ul style="list-style-type: none"> <li>Higher taxes</li> <li>Technology downtime</li> </ul> |
|---|---|



|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>Experienced Promoter &amp; Management Team.</li> <li>Latest and advanced technology and infrastructure.</li> <li>Strong relationship with customer.</li> </ul> |  |
| <b>Opportunities</b> <ul style="list-style-type: none"> <li>Opportunities in Primary Market.</li> <li>Increasing focus on investment by general public.</li> </ul>                                    | <b>Threats</b> <ul style="list-style-type: none"> <li>Fluctuation in Stock market.</li> <li>Government &amp; regulatory norms</li> <li>Change in the investors perception about stock markets</li> </ul> |

## OUR MAJOR PRODUCTS, SERVICES AND PROCESSES

### Equity Broking

Our Company is a member of BSE and NSE for trading in Equity market. We cater to the needs of our clients i.e. corporate, high net worth individuals and retail investors in the secondary market segments (Cash, F&O and CD). We provide personalized trade and execution services along with real time information to our clients. Our trading volumes for the year ended on March 31, 2017 are as follows:

| Stock Exchange | Trading Volumes            |                             |                              |                                    |
|----------------|----------------------------|-----------------------------|------------------------------|------------------------------------|
|                | Cash Equities<br>(₹Crores) | Equity Futures<br>(₹Crores) | Equity Options<br>(₹ Crores) | Currency Derivatives<br>(₹ Crores) |
| BSE            | 848.25                     | 32.09                       | -                            | 30421.37                           |
| NSE            | 45178.71                   | 545255.25                   | 28229.94                     | 42203.42                           |

### Depository Services

Depository Participant is an agent of the depository and can offer depository related services. We offer depository facility to our equity trading clients as a part of integrated service offering through CDSL, where our Company is registered as depository participant. The effective management of transactions by skilled professionals has helped out our Company to gain the trust of the clients over the years as depicted below -

| Depository | Total No. of Active<br>Clients<br>2014-15 | Total No. of Active<br>Clients<br>2015-16 | Total No. of Active<br>Clients<br>2016-17 |
|------------|---|---|---|
| CDSL       | 7363                                      | 7731                                      | 8367                                      |

### Distribution of Mutual Funds

We are also into distribution of Mutual funds. We offer various options of investments in Mutual Funds, Tax saving ELSS Schemes, etc. We have utilised our strength of network, client's specially high network individuals and corporates with high liquidity for distribution of financial products. We use our relationship with our clients for marketing mutual funds.

Apart from the services mentioned above we are also engaged in making proprietary investments in various tradable securities with the strategy to earn arbitrage gain done based on analysis and investment rationale. We are also engaged in providing services of Research Analyst and also applied for the registration as a Portfolio Manager with SEBI.

### PLANT & MACHINERY & EQUIPMENTS

The major plant and machineries required for our business is computers and servers. We have adequate number of computer systems commensurate with our current size of operations.

### COLLABORATIONS/TIE UPS/ JOINT VENTURES

We have not entered into any technical or other collaboration.

### EXPORT OBLIGATION

As on date of the filing of this Prospectus, we don't have any export obligation.





## **INFRASTRUCTURE AND UTILITIES**

### **Risk Management**

With the increase in the participation by the public in the financial market there is an urgent need to manage risks regarding new financial instruments such as derivatives, currency futures etc. Our Company is dealing in financial services and hence risk management is of utmost importance. We have deployed resources in terms of technology, people and processes to manage our risk management function. We monitor and control our risk exposure through financial, credit, operational, compliance and legal reporting systems based on mandatory regulatory requirements and as per our business needs.

Our risk management system monitors our market exposure on the basis of the total margin collected from clients, the total margin deposited with the exchanges and the lines of credit available from the banks. Our management team analyses this data in conjunction with our risk management policies and takes appropriate action where necessary to minimize risk.

For real time risk management software called, “SAVIOUR” is used. This system can evaluate risks at pre-trade and post-trade levels on a dynamic or real time basis. The integrated risk management features allow our risk management team to exercise a high degree of control over the entire process. This assists us in keeping a check over the exposure limit utilized by various clients and also enables us to take action to mitigate risk in due course.

### **Compliance**

We have also put in place a compliance structure to address compliance and reputation risk. The compliance officer of the company looks after the matters relating to prevention of Insider trading. The Compliance officer’s role is to ensure that the Company operates in accordance with the laws and regulations of the stock exchanges and regulators. The Compliance officer provides support for each of the businesses. The Compliance officer liaison with the regulators and handles all regulatory matters. He also ensures that persons connected to our Company do not profit by dealing in securities on the basis of unpublished price sensitive information.

### **Back office and data processing management**

Our back office is based at Noida, UP with a back-up server at Delhi data centre. We use software named, Inhouse, ODIN, NOW, GETS and uTrade for trading and RMS purpose. The software has advanced risk management and reporting capabilities and has been designed and developed to cater the transaction volumes of our business.

### **Technology**

We recognise the need to have a sophisticated technology network in place to meet our customer needs as well as to maintain a risk management system. Our technology infrastructure is aimed at ensuring that our trading and information systems are reliable and performance enhancing and that client data are protected. Data back-up is taken on an incremental basis on external HDDs and sent to another location. Our system is a complex multi-product/multi-architecture system as per the needs of our retail, corporate and HNI clients. We have scalable platforms for order management and risk management and also have sophisticated servers and network infrastructure.

### **Connectivity Infrastructure**

We have set up a network of VSATs and leased lines for our Corporate Office based at New Delhi. We have also taken leased lines and VSATs connectivities for data connectivity at our branch offices. We have set up a network of around 8 VSATs and 19 leased lines. We always endeavor to minimise downtime. Connectivity for our proposed expansions will also be based on leased lines/VSATs.

### **Human Resource**

Our Company is committed towards creating an organization that nurtures talent. As on June 30, 2017, we had employed total 524 employees at our locations. We have employed a prudent mix of the experienced staff and youth which gives us the dual advantage.



| Category                           | No. of Employees |
|------------------------------------|------------------|
| Administrative or Managerial Staff | 22               |
| Skilled Workers                    | 490              |
| Unskilled Workers                  | 12               |
| <b>Total</b>                       | <b>524</b>       |

## SALES AND MARKETING

Our Company is in its existence of over 20 years and going forward we intend to continue on our ethos of transparency, quick query resolution and delivery of commitments as an effective part of our Marketing Strategy. We have designed our sales and marketing process keeping these ethos in mind in a three phased approach.

- **Increase business from existing clients:** We intend to leverage our financial expertise and offer our customer's end to end financial planning including mutual fund based investments. We have a dedicated sales team for this purpose and intends to use its customer connectivity to expand operations in financial products like - mutual funds, and PMS etc.

- **Offer tech based trading solution to HNI clients:** Technology has today become mainstay of broking business. We plan to extend our reach to HNI customers who trade based on proprietary algorithms. We are planning to develop an in-house development team perfect fit for these HNI clients who demand customized trading solution based on their requirements.

- **Increase penetration in southern and western India:** We are currently a northern India based broking Company. We plan to increase penetration in states likes Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka etc. where there is significant demand for financial solution providers and we have a limited presence.

## COMPETITION

We face competition from other broking outfits spread throughout the country. As we also propose to enter to new locations and newer markets, we are likely to face additional competition from those who may be better capitalized and have brand presence.

Our strengths are our customized brokerage plans, extensive technical and fundamental research support, efficient and reliable risk management systems and more than 22 years of relevant experience. We firmly believe that inspite of intense competition, we can create a space for ourselves by offering our clients with all the financial services including Equity, Equity Derivatives; Currency Derivatives and Mutual Funds at attractive prices under one roof by offering them with afore-mentioned value added services.

## INSURANCE

We maintain a range of insurance policies to cover our assets, risks and liabilities. The policies provide appropriate coverage in relation to:-

1. Stock Brokers Indemnity Policy
2. Standard Fire and Special Perils Policy
3. Office & Professional Establishment Protector Policy
4. Private Car- Comprehensive Insurance Policy

We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.



| Policy No.               | Policy Details                    | Insurance Details   | Sum Insured | Date of Expiry of the Policy |
|--------------------------|-----------------------------------|---|-------------|------------------------------|
| 1213000/48/201<br>8/1398 | Stock Brokers<br>Indemnity Policy | Infidelity of Employees<br>Computer Crime Indemnity<br>Legal Liability Counterfeit<br>Securities Loss of Securities | 500,000     | 31-May-18                    |



|                               |   | &/or Cash Property.   |            |            |
|-------------------------------|---|---|------------|------------|
| 214303/11/2017<br>/302        | Standard Fire & Special Perils Policy Schedule    | STF Cover Fire Basic Cover<br>Earth Quake Cover   | 1,400,000  | 16-Sep-17  |
| 214303/11/2017<br>/303        | Standard Fire & Special Perils Policy Schedule    | STF Cover Fire Basic Cover<br>Earth Quake Cover   | 1,700,000  | 16-Sep-17  |
| FPV/I2011084/<br>14/09/003906 | Private Car-Comprehensive Insurance Policy        | Toyota Corolla Altis 1.6  | 1,516,192  | 21-Sep-17  |
| 68697660                      | Private Car Certificate of Insurance Cum Schedule | AudiQ3 2.0 TDI Quattro Base   | 2,752,245  | 29-Dec-17  |
| 0156486391 00                 | Auto Secure Private Car Package Policy            | Honda City 1.5V 4202871   | 949,240    | 7-Nov-17   |
| 1002606600                    | Kotak Car Secure (Comprehensive Policy)           | Fluidic Verna CRDI SX (O) 1.6   | 600,000    | 16-Sep-17  |
| 2311 2017 1931<br>4000 000    | Private Car Package Policy                        | Toyota Innova Crysta-2.8 ZX 80<br>7 STR   | 1,889,835  | 4-Mar-18   |
| 0156868217 00                 | Auto Secure Private Car Package Policy            | Honda Amaze 1.5 SMT   | 423,000    | 13-Mar-18  |
| 215700/31/2017<br>/87981      | Package Policy (Private Vehicle)                  | Maruti Ciaz VXI PLUS  | 771,402    | 4-Nov-17   |
| 13209281                      | Motor Insurance                                   | Hyundai Elantra NEO CRDI 1.6<br>SX  | 1,018,615  | 14-Apr-18  |
| 3001/13279557<br>2/00/000     | Motor Insurance                                   | Skoda Superb  | 17,68,080  | 30-Jun-18  |
| 47466131                      | Office & Prof. Est. Protector                     | Fire & Allied Perils, Burglary<br>House Breaking Perils, Money,<br>Fixed Glass and Sanitary Ftg.,<br>Baggage and Public Liability | 20,093,721 | 7-May-18   |
| 271701/31/2018<br>/1933       | Motorized Two Wheeler Package Policy              | TVS-Jupiter   | 32000      | 08- Sep-18 |
| 2312100233683<br>500000       | Motorized Two Wheeler Package Policy              | Hero Honda  | 24498      | 15-Sep-18  |
| 3005/12893193<br>9/00/000     | Motorized Two Wheeler Package Policy              | TVS-Jupiter   | 30,695     | 30-Mar-19  |
| 3001/MI/04732<br>066/00/000   | Package Policy Private Vehicle                    | Maruti Ertiga VDI   | 7,43,885   | 01-Jun-18  |

**INTELLECTUAL PROPERTY**

Details of the trademark registered in the name of our company are:-

| Sino | Trademark No/ Application No. and Class | Trademark Name and Logo   | Applicable Laws       | Date of Application | Status     |
|------|---|---|-----------------------|---------------------|------------|
| 1.   | Application No. 2026505<br>Class: 36    |  | Trade Marks Act, 1999 | 21/09/2010          | Registered |
| 2.   | Application No. 3347704<br>Class: 36    |  | Trade Marks Act, 1999 | 29/08/2016          | Objected   |

The details of the Domain name registered in the name of our company are:-



| Sr. No | Domain name  | Sponsoring Registrar and IANA ID         | Creation Date  | Expiry Date    |
|--------|--|--|----------------|----------------|
| 1.     | <a href="http://www.shareindia.com">www.shareindia.com</a> | Onlinenic Inc<br>(Registrar IANA ID: 82) | April 28, 2004 | April 28, 2021 |

## LAND & PROPERTY

Details of our property are as follows:-

| S. No. | Details of the Property   | Use               | Owned/ Leased/ License | Licensor/ Lessor/ Vendor  | Consideration   |
|--------|---|-------------------|------------------------|---|---|
| 1.     | 6th Milestone, New Bhai Chara Complex, Opp. Mata Mandir, Chikambarpur, Sahibabad, Ghaziabad, Uttar Pradesh-201006 | Registered Office | Leased                 | Mr. Yash Pal Gupta S/o Late Sh. Gopal Dass Gupta                                      | Lease Agreement dated July 1, 2017 was executed between the Lessor and Share India Securities Limited through its Director Mr. Sachin Gupta for use of the premises as the Registered office of the company on a monthly rent of Rs. 5000/- (Rupees Five thousand only). July 1, 2017 valid till May 31, 2018 (i.e. for the period of 11 months)            |
| 2.     | I, II and III Floor of 14, Dayanand Vihar, Delhi-110092 (Ist, IInd and IIIrd Floor)                               | Corporate Office  | Leased                 | Mr. Yash Pal Gupta, Mr. Praveen Gupta, Mr. Rajesh Gupta S/o Late Sh. Gopal Dass Gupta | Lease Agreement dated September 1, 2017 was executed between the Lessor and Share India Securities Limited through its Director Mr. Sachin Gupta for use of the premises as the Corporate office of the company on a monthly rent of Rs. 2,25,000/- (Rupees Two Lacs Twenty Five thousand only) valid till July 31, 2018 (i.e. for the period of 11 months) |
| 3.     | 518, 5th Floor, Ocean Complex, Sector-18, Noida, Distt. Guatam Budh Nagar, U.P.-201301                            | Branch Office     | Leased                 | Mr. Vivek Matta S/o Sh. P.L. Matta, and Mrs. Bindu Rao W/o Mr. I.A. Rao               | Lease Agreement dated May 25, 2017 was executed between the Lessor and Share India Securities Limited through its Director Mr. Sachin Gupta for use of the premises as the Branch office of the company on a monthly rent of Rs. 19,500/- (Rupees Nineteen thousand Five hundred only) valid till January 31, 2018 (i.e. for the period of 11 months)       |
| 4.     | 301 & 302, 3rd Floor, 13, Yamuna Tower, Saini Enclave, Delhi-110092   | Branch Office     | Leased                 | Mr. Subhash Chander and Mr. Vinod Bansal S/o Late Sh. Shiv Lal                        | Leave & Licence Agreement dated July 1, 2017 was executed between the Licensor and Share India Securities Limited through its Director Mr. Sachin Gupta for use of the premises as the Branch office of the company on a monthly rent of Rs. 78,000/- (Rupees Seventy Eight thousand only) valid till May 31, 2018 (i.e. for the period of 11 months)       |
| 5.     | Unit No.A-241 Second Floor, Pacific Business Park, Plot No.37/1,  | Branch Office     | Leased                 | Pacific Development Corporation Limited   | Licence Agreement dated January 30, 2017 was executed between the Licensor and Share India Securities Limited through its Director Mr.  |



|    |   |               |           |   |   |
|----|---|---------------|-----------|---|---|
|    | Site-IV, Sahibabad Industrial Area, Ghaziabad, Uttar Pradesh-201010 (admeasuring about 1115 sq. ft super built-up and 780.5 sq ft covered area)                           |               |           | through its Director Mr. Abhishek Bansal  | Sachin Gupta for use of the premises as the Branch office of the company on a monthly license fees of Rs. 39,025/- (Rupees Thirty Nine thousand twenty five only) valid till January 14, 2018 (i.e. for the period of 11 months)  |
| 6. | 219-220, Krishan Square, JDA Shopping Centre, Subhash Nagar, Jaipur, Rajasthan-302016*  | Branch Office | Sub-lease | Total Securities Limited (being Lessee with actual Lessor Mr. Lal Chand Jhwar vide Lease Agreement dated April 1, 2015] through its Authorised Signatory Mr. Vijay Vora | Sub- Lease Agreement dated July 1, 2017 was executed between the Sub-lessor and Share India Securities Limited through its Authorised Signatory Mr. Sachin Gupta for use of the premises as the Branch office of the company on a monthly lease rent of Rs. 3000/- (Rupees Three thousand only) valid till May 31, 2018 (i.e. for the period of 11 months)  |
| 7. | Shop No-8, Ground Floor, Eden Gardens, Mahavir Nagar, Kandivali (West), Mumbai-400067   | Branch Office | Leased    | Total Securities Limited  | Leave & Licence Agreement dated September 092017 was executed between the Licensor and Share India Securities Limited through its Director Mr. Sachin Gupta for use of the premises as the Branch office of the company on a monthly license fees of Rs. 15,000/- (Rupees Fifteen thousand only) valid till August 04, 2018 (i.e. for the period of 11months)   |
| 8. | B-49/7, Site-IV, Sahibabad Industrial Area, Sahibabad, Ghaziabad, UP-201010   | Branch Office | Leased    | Protech Online Softwares India Private Limited through its Authorised Signatory Mr. Ranjeet Singh Thakur  | Lease Agreement dated February 20, 2017 was executed between the Lessor and Share India Securities Limited through its Authorised Signatory Mr. Sachin Gupta for use of the premises as the Branch office of the company on a monthly lease rent fees of Rs. 5000/- (Rupees Five thousand only) valid till January 31, 2018 (i.e. for the period of 11 months)  |
| 9  | Sixth floor, Unit No-607, B2B Centre Co-operative Premises Society Ltd., Kanchpada, Off Link Road, Malad (West), Mumbai-400064 (admeasuring about 367 Sq Ft. Carpet area) | Branch Office | Leased    | Mrs. Kajal Thakkar and Mr. Rajeev Thakkar   | Registered Leave & License Agreement dated November 3, 2016 was executed between the Licensor and Share India Securities Limited through its Head Arbitrage Operations- Mr. Pawan Mudgal for use of the premises as the Branch office of the company on a monthly license fees of Rs. 32,000/- (Rupees Thirty two thousand only) for the period from 01/12/2016 to 31/10/2017, Rs. 33,600/- (Rupees Thirty three thousand Six hundred only) for the period from 01/11/2017 to 30/09/2018 and Rs. 35,280/- |



|     |  |                    |        |  |   |
|-----|--|--------------------|--------|--|---|
|     |  |                    |        |  | (Rupees Thirty five thousand two hundred eight only) for the period from 01/10/2018 to 31/08/2019.  |
| 10. | Residential Vacant Plot No. 084, Block-A, Sector-108, Noida, District-Gautam Budh Nagar- U.P (admeasuring 450.00 sqmtrs.)                            | Guest House        | Leased | Sh. Pramod Kumar Verma S/o Sh. Kundan Lal Verma                    | Registered Transfer Deed of Lease hold rights dated May 26, 2010 executed between the then lessee i.e. Mr. Pramod Kumar Verma and M/s Share India Securities Limited through its Director Mr. Rajesh Kumar for a consideration of Rs. 99,00,000/- (Rupees Ninety nine Lakhs only)   |
| 11. | Residential Plot No. 128, Block- Cassia Fistula Estate, Sector- CHI- 04, Greater Noida, Dist. Gautam Budh Nagar (U.P.) (admeasuring 1022.40 sqmtrs.) | Guest House        | Leased | Sh. Peeyush Agarwal S/o Sh. S.K Agarwal                            | Registered Transfer Deed for Lease hold rights for Residential Plot dated November 16, 2010 was executed between the then Lessee i.e. Mr. Peeyush Agarwal and Share India Securities Limited through its Authorised Signatory Mr. Rajesh Kumar Gupta for use of the use of the company. Rs. 1,43,15,000/- (Rupees One crore forty three Lacs fifteen thousand only) |
| 12  | 22, Aggarsain Market, Opposite Post Office, Hisar, Haryana- 125001   | Branch Office      | Leased | Mr. Pawan Mittal S/o Shri Jai Dev Mittal                           | Lease Agreement dated July 1, 2017 was executed between the Lessor and Share India Securities Limited through its Director Mr. Sachin Gupta for residence cum office purpose, on a monthly lease rent of Rs. 3000/- (Rupees Three thousand only) valid till May 31, 2018 (i.e. for the period of 11 months)   |
| 13  | A-86, 2 <sup>nd</sup> Floor. Ashok Vihar, Phase-3, Delhi- 110092   | Branch Office      | Leased | Mrs. Kamini Bala W/o Shri Rakesh Kumar Khaitan                     | Lease Agreement dated July 1, 2017 was executed between the Lessor and Share India Securities Limited through its Director Mr. Sachin Gupta for Commercial purpose on a monthly lease rent of Rs. 60,000/- (Rupees Sixty thousand only) valid till May 31, 2018 (i.e. for the period of 11 months)  |
| 14. | Hall at 2 <sup>nd</sup> Floor, House No. B-3, 60 Feet Road, PulPehladpur, New Delhi- 110044  | Branch Office      | Leased | Mr. Ranbir Mishra S/o Late Shri Nawab Singh Mishra                 | Lease Agreement dated August 1, 2017 was executed between the Lessor and Share India Securities Limited through its Director Mr. Sachin Gupta for Commercial purpose on a monthly lease rent of Rs. 25,000/- (Rupees Twenty five thousand only)   |
| 15. | Khata No. 2/2, Khasra No. 11/25/2 (1-0), 15/1/1/1 (0-4), 15/2/1(4-3), 16/1/2 (2-9), Hadbast No. 170, Village Bhagat Majra, Tehsil Kharar, District-  | Future development | Owned  | Mr. Ranjeet Singh S/o Asa Singh alias Asa Ram S/o Shri Nihal Singh | Registered Sale Deed dated March 21, 2012 was executed between the Seller and Share India Securities Limited through its authorized representative Mr. Ravinder Mittal for a consideration of Rs. 40,00,000/- (Rupees forty Lacs only)  |



|     |  |                       |       |   |  |
|-----|--|-----------------------|-------|---|--|
|     | S.A.S.Nagar, Mohali<br>(area admeasuring 7<br>kanal 16 Marla)  |                       |       |   |  |
| 16. | Joint Khata No. 5/5<br>Khasra No. 11/16/5<br>(2-4) and Joint<br>Khata No. 6/6<br>Khasra No. 11/25/1<br>(7-0) Hadbast No.<br>170, Village Bhagat<br>Majra, Tehsil<br>Kharar, District- S.<br>A. S. Nagar, Mohali<br>(area admeasuring 9<br>kanal 4 Marla)   | Future<br>development | Owned | Sh. Santokh<br>Singh S/o Sh.<br>Asa Singh<br>alias Asa Ram<br>through GPA<br>holder Mr.<br>Tarlok Singh<br>Sharma S/o<br>Shri Yograj<br>Sharma        | Registered Sale Deed dated March<br>21, 2012 was executed between the<br>Seller and Share India Securities<br>Limited through its authorized<br>representative Mr. Ravinder Mittal<br>for a consideration of Rs.<br>45,00,000/- (Rupees forty five Lacs<br>only)           |
| 17. | Joint Khata No.<br>16/16, Khasra No.<br>7/20 (8-0), 21(8-0),<br>12/1/1 (4-15), 3 kita<br>/16/5 (2-4), and joint<br>khata no. 6/6 Khasra<br>No. 16/25/1 (7-0),<br>Hadbast No. 170,<br>Village Bhagat<br>Majra, Tehsil<br>Kharar, District- S.<br>A. S. Nagar, Mohali<br>(area admeasuring<br>200/415 share of<br>total land area 20<br>kanal 15 Marla i.e.<br>10 Kanal) | Future<br>development | Owned | M/s Nature<br>Ventures<br>Administrative<br>through its<br>authorised<br>representative<br>Mr. Tarlok<br>Kumar<br>Sharma S/o<br>Shri Yograj<br>Sharma | Registered Sale Deed dated April<br>20, 2012 executed between the<br>Seller and Share India Securities<br>Limited through its authorized<br>representative Mr. Anil Kumar<br>Garg for a consideration of Rs.<br>62,50,000/- (Rupees Sixty two<br>Lacs Fifty thousand only) |





## KEY INDUSTRIAL REGULATIONS AND POLICIES

The following description is a summary of the relevant laws, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “**Government and other Approvals**” on page 250 of this Prospectus.

**This chapter has been classified as under:**

- A. Core Business Laws**
- B. Statutory and other business laws**
- C. Labour and employment Laws**
- D. Tax Laws**
- E. IPR Laws**
- F. Foreign investment regulations**

### **A. CORE BUSINESS LAWS**

#### **The Securities and Exchange Board of India Act, 1992**

The Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) provides for the establishment of the Securities and Exchange Board of India to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto by such measures as it thinks fit. Through the SEBI Act, the Board can conduct enquiries, investigations, audits and inspection of stock exchanges, mutual funds, intermediaries including stock brokers, self-regulatory organisations and other persons associated in the securities market. It also has the authority to undertake cease and desist proceedings, adjudicate offences and impose penalties under the SEBI Act.

#### **Securities and Exchange Board of India (Intermediaries) Regulations, 2008**

In order to interpose between issuers and investors, SEBI has recognized many types of capital market intermediaries in India. Intermediaries such as merchant bankers, underwriters, debenture trustees, bankers to an issue, registrars to an issue and share transfer agents and portfolio manager are the intermediaries that function *inter alia* in the primary markets. Regulating and registering the working of such intermediaries forms an essential function of the SEBI. SEBI implements the SEBI (Intermediaries) Regulations, 2008 which entails a multi-stage process of registration, supervision through on-site and off-site inspections, and enforcement through initiation of adjudication, enquiry against violations of rules and regulations and prosecutions.

#### **Securities Contracts (Regulation) Act, 1956**

The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) seeks to prevent undesirable transactions in securities by regulating the business of stock exchanges and by providing for certain other matters connected therewith. The SCRA provides the conditions for grant of recognition to stock exchanges by the Central Government as also withdrawal of recognition. Any recognized stock exchange may, subject to the previous approval of SEBI, make bye-laws for the regulation and control of contracts which inter-alia includes:

- i) the opening and closing of markets and the regulation of the hours of trade;
- ii) the fixing, altering or postponing of days for settlements;
- iii) the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- iv) the listing of securities on the stock exchange, the inclusion of any security for the purpose of dealings and the suspension or withdrawal of any such securities, and the suspension or prohibition of trading in any specified securities;
- v) the regulation of dealings by members for their own account; and
- vi) the obligation of members to supply such information or explanation and to produce to the business as the governing body may require;

### **SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992**

The SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (“**Stock Broker Regulations**”) govern the registration and functioning of stock brokers, sub-Brokers and clearing members. In terms of the Stock Broker Regulations, stock brokers are required to abide by a code of conduct and are subject to penalties for non-compliance of the Stock Broker Regulations. SEBI has the authority to inspect the books of accounts of stock brokers and in case of violations by the stock broker of the provisions of the SCRA, to take such appropriate action as it deems fit after giving an opportunity for hearing. Further, in case of any change in its status or constitution, the stock broker is required to obtain the prior permission of SEBI in order to continue to buy, sell or deal in securities in any stock exchange.

### **SEBI (Prohibition of Insider Trading) Regulations, 2015**

SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Insider Trading Regulations**”) prohibits an insider from trading in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed. ‘Insider’ includes a connected person or a person in possession of unpublished price sensitive information. An insider can trade in the securities of the Company by formulating a trading plan and presenting it to the compliance officer, designated by the Board of Directors for ensuring compliance with the Insider Trading Regulations, for his approval and public disclosure pursuant to which trades may be carried out by the insider in accordance with the trading plan. Every person on being appointed as a key managerial person or a director of the Company or upon becoming a promoter, shall disclose the holding of securities of the Company on the date of appointment or becoming a promoter, to the Company within 7 (seven) days from such appointment or becoming promoter. Further, every promoter, employee and director of a company shall disclose to the Company the number of such securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the transaction or series of transactions over any calendar quarter exceeds a traded value of 10 (ten) lakhs or such other value as may be specified. Subsequently every Company shall notify the stock exchange on which such securities are listed within 2 (two) days of receipt of information pertaining to acquisition or disposal of securities of the Company.

### **Depositories Act, 1996**

The Depositories Act, 1996 (as amended from time to time) provides for regulation of depositories in securities and other related matters. Every person subscribing to securities offered by an issuer has the option either to receive the security certificates or hold securities with a depository. All securities held by a depository are required to be dematerialised and in a fungible form. A depository after obtaining a certificate of commencement of business from SEBI can enter into an agreement with one or more participants as its agent. Any person, through a participant, may enter into an agreement with any depository for availing its services.

### **Depository Regulations, 1996**

The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time (“**Depository Regulations**”) provide inter alia the eligibility criteria and the procedure for obtaining the certificate of registration to carry on business as a depository participant. They also provide the various rights and obligations of the depository participants. On registration, the depository participant is required to adhere to a code of conduct prescribed under the Depository Regulations. The depository is deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner. The depository does not have any voting rights or any other rights in respect of securities held by it. The beneficial owner of the securities is entitled to all the rights and benefits and is subjected to all the liabilities in respect of his securities held by a depository.

### **Information Technology Act, 2000**

Information Technology Act, 2000 (“**IT Act**”) is an Act to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as “electronic commerce”, which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and others.

As the company is engaged in the business as Depository Participants (“**DP**”), DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will require to furnish to the Beneficial Owner the statement of demat accounts under its digital signature, which is



governed under the IT Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.

#### **SEBI (Criteria for Fit and Proper Person) Regulations, 2004**

The criteria for determination of whether an entity can be registered under any of the above regulations are governed by the SEBI (Criteria for Fit and Proper Person) Regulations, 2004. The Company is also required, as an intermediary, to be registered under the SEBI (Central Database of Market Participants) Regulations, 2003.

#### **Stock Exchange Rules, Regulations and Bye-laws**

Further, the Company is also regulated by the rules, regulation and by-laws of the stock exchanges where it is registered as a trading member. Hence it is also governed by the rules, regulations and by-laws of the NSE and the BSE, the stock exchanges on which it is a trading member.

#### **SEBI (Mutual Fund Regulations), 1996**

The SEBI (Mutual Fund Regulations), 1996 provide for the registration of mutual fund, constitution and management of mutual funds, operation of trustees and their rights and obligations. Further they also provide for procedure for launching mutual fund schemes, manner of advertising mutual funds, liability in case a mutual fund contravenes any of the regulations or the SEBI Act, 1992.

#### **Master Circular for Mutual Funds**

The Chapter 15 of the Master Circular SEBI/HO/IMD/DF3/CIR/P/2016/84 dated September 14, 2016 for mutual funds provides inter-alia that a mutual fund shall not deal with an intermediary viz. distributors, brokers, agents etc. in relation to selling and marketing of mutual fund units unless they have cleared the certification examination conducted by National Institute of Securities Markets (NISM) and that empanelment of intermediaries by mutual funds shall be in accordance with the guidelines specified by SEBI and Association of Mutual Funds in India (AMFI).

#### **SEBI (Certification of Associated Persons in Securities Markets) Regulations 2007**

The SEBI (Certification of Associated Persons in Securities Markets) Regulations, 2007 requires the principal or employee of an intermediary to obtain a certificate for engagement with such classes of intermediaries within 2 (two) years from the date of the engagement with the intermediary if the associated person was engaged by an intermediary prior to the date specified by SEBI or within 1 (one) year from the date of the engagement with the intermediary if the associated person was engaged by an intermediary on or after the date specified by SEBI.

#### **National Stock Exchange (Futures & Options) Trading Regulations, 2000.**

National Stock Exchange (Futures & Options) Trading Regulations, 2000 (“F&O segment Regulations”) regulations shall be in addition to the provisions of the Securities Contracts (Regulations) Act, 1956, the Securities Contracts (Regulations) Rules, 1957, Securities and Exchange Board of India Act, 1992 and Rules and Byelaws of National Stock Exchange of India Limited (NSEIL), as may be applicable to Trading Members and Participants.

F&O segment Regulations mean the National Securities Clearing Corporation (Futures & Options Segment) Regulations and includes business rules, code of conduct and such other procedures, circulars, directives and orders as issued by the Relevant Authority from time to time thereunder.

#### **SEBI (Investment Advisers) Regulations 2013**

The SEBI (Investment Advisers) Regulations, 2013 (“*IA Regulations*”) have been notified on January 21, 2013. The IA Regulations came into effect from April 21, 2013. The regulations specify conditions for registration, certification, capital adequacy, risk profiling and suitability, disclosures to be made, code of conduct, records to be maintained, manner of conducting inspection, etc. In terms of the IA Regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from SEBI on and from the commencement of IA Regulations unless an exemption specifically applies. If any



person found to be engaged in providing investment advisory services without getting registered with SEBI, appropriate action as deemed fit, under SEBI Act, 1992 may be initiated.

“Investment advice” in the above context is an advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.

#### **The SEBI (Research Analysts) Regulations, 2014**

The SEBI (Research Analysts) Regulations, 2014 (“RA Regulations”) specify conditions for registration, certification, limitations on trading by research analysts, limitations on compensations of research analyst, various disclosures to be made during public appearance and during making recommendations through public media, code of conduct, records to be maintained, manner of conducting inspection, etc.

As per the regulations, “research analyst” means a person who is primarily responsible for,

- i. preparation or publication of the content of the research report; or
- ii. providing research report; or
- iii. making 'buy/sell/hold' recommendation; or
- iv. giving price target; or
- v. offering an opinion concerning public offer,

with respect to securities that are listed or to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' and includes any other entities engaged in issuance of research report or research analysis.

#### **Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and SEBI (Portfolio Managers) (Amendment) Regulations, 2016**

As per Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, No person shall act as portfolio manager unless he holds a certificate granted by the Board under these regulations; A portfolio manager is a body corporate who, pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise), the management or administration of a portfolio of securities or the funds of the client.

### **B. STATUTORY AND COMMERCIAL LAWS**

#### **The Companies Act, 2013**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. At present almost all the provisions of this law have been made effective except a very few. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### **The Competition Act, 2002**

The Competition Act, 2002 “prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may



enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, and implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties.

The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

### **The Specific Relief Act, 1963**

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Indian Stamp Act, 1899(the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as



evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

#### **The Sale of Goods Act, 1930(Sale of Goods)**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by installments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

#### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

#### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the "code") cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and Companies. The Code establish an Insolvency Regulator (The Insolvency and Bankruptcy Board of India) to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities. Any creditor in the nature of financial or operational, in case of nonpayment of its debt within the due date have the right to file an insolvency and bankruptcy against the debtor under the Code with the appropriate authority. The Code has established fast track insolvency resolution process for all companies and other business entities. The process will have to be completed within 90 days, which may be extended upto 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.

#### **Consumer Protection Act, 1986 (COPRA)**

The Consumer Protection Act, 1986 ("COPRA") aims at providing better protection to the interests of customers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.



## C. LAWS RELATING TO LABOUR AND EMPLOYMENT

As part of business of the Company it is required to comply from time to time with certain laws in relation to the employment of labour. A brief description of certain labour legislations which are applicable to the Company is set forth below:

### **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

### **The Payment of Gratuity Act, 1972**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 1 million.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)**

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

i. **The Employees Provident Fund Scheme:** As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.

ii. **The Employees Pension Scheme:** Employees’ Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee’s pay shall be remitted by the employer to the Employees’ Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees’ Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees’ Pension Scheme and credit the contribution to the Employees’ Pension Fund.

iii. **The Employees Deposit Linked Insurance Scheme:** As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 (“PoB”) Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.



**The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976**

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

**The Maternity Benefit Act, 1961("Maternity Act")**

The Maternity Benefit Act, 1961 was enacted by Parliament in the Twelfth Year of the Republic of India to regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity benefit and certain other benefits.

**Shops & Commercial Establishments Act of the respective States in which the Company has an established place of business/ office ("Shops Act")**

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

**The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

**D. TAX LAWS**

**The Income Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

**Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975**

An act to provide for levy of tax on profession, trades, callings and employments in the state of Maharashtra. It is applicable to all the employees defined under section 2 (c). Employee means a person employed on salary or wage. The tax payable under the Act by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain registration from the

prescribed authority in the prescribed manner. Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### **Securities Transaction Tax**

Securities Transaction Tax is collected by the Clearing Corporation as per the Finance Act 2004, and modified by Finance Act 2008 (18 of 2008). The Clearing Corporation shall, on behalf of the Exchange, collect the Securities Transaction Tax. Every Clearing Member shall remit to the Clearing Corporation the Securities Transaction Tax payable by the Trading Member of the Exchange in respect of the transactions entered into by him on the Exchange either on his own behalf or on behalf of his Constituents and cleared and settled through such Clearing Member in accordance with the procedures prescribed by the Relevant Authority from time to time for the calculation and collection of such tax. Any Clearing Member who fails to make the payment in accordance with the procedures, prescribed by the Relevant Authority from time to time, would be liable for such consequences of non-payment including but not limited to withdrawal of clearing facility, appropriation form the monies of the Clearing Member, withholding of pay-outs, etc. as may be prescribed from time to time.

### **The Goods and Services Tax Act, 2017**

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer.

Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India – Arun Jaitley. This Act has been made applicable with effect from 1<sup>st</sup> July 2017.

With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits.

The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services.

India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

**Following laws which have been subsumed in GST Acts were applicable to the Company till 30<sup>th</sup> June 2017 and shall remain applicable here after as stated in the GST Acts:**

**i) Service Tax, (the ‘Finance Act, 1994’)**

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, (as amended from time to time) which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules, the assesses is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7(1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

### **E. INTELLECTUAL PROPERTY LAWS**

#### **Trademarks Act, 1999 (“Trademarks Act”)**



Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

## **F. FOREIGN INVESTMENT REGULATIONS**

Foreign investment in stock broking companies is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion ("DIPP") Ministry of Commerce and Industry has issued 'Consolidated FDI Policy Circular 1 of 2016' ("FDI Policy") which consolidates the policy framework on Foreign Direct Investment ("FDI") with effect from June 7, 2016. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till June 7, 2016. All the press notes, press releases, clarifications on FDI issued by DIPP till June 6, 2016 stand rescinded as on June 7, 2016.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which the foreign investment is sought to be made.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

The Foreign Exchange Department of the RBI has vide notification dated September 9, 2016, permitted 100% investment under the automatic route in Other Financial Services which are financial services activities regulated by financial sector regulators, viz., RBI, SEBI, IRDA, PFRDA, NHB or any other financial sector regulators as may be notified by the Government of India.

The following are the other conditions specified by RBI to which such investment would be subject:

- a) Foreign investment would be subject to the conditions including minimum capitalization norms, as specified by the concerned regulator/ government agency
- b) 'Other Financial Services' activities need to be regulated by one of the Financial Sector Regulators. In all such financial services which are not regulated by any Financial Sector Regulator or where any part of the financial services activity is regulated or where there is doubt regarding the regulatory oversight, foreign investment upto 100% will be allowed under the capitalization requirement, as may be decided by the Government.
- c) Any activity which is specifically regulated by an Act, the foreign investment limits will be restricted to those levels/ limit that may be specified in that Act, if so mentioned.
- d) Downstream investments by any of those entities engaged in other financial services will be subject to the extant sectoral regulations and provisions of the Foreign Exchange Management (Transfer or Issue of security by a Person Resident outside India) Regulations, 2000 as amended from time to time.

RBI has also issued the Master Circular on Foreign Investment in India dated July 01, 2015. The aforesaid Master Circular on Foreign Investment will continue to remain valid until Master Directions are issued in that behalf. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian Company making such Fresh Issue of shares would be subject to the reporting requirements, inter-alia with respect to making certain filings including filing of Form FC-GPR.



**The Foreign Trade (Development and Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 is an Act to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India and for matters connected therewith or incidental thereto. The Act empowers the Central Government to make provisions for development and regulation of foreign trade by facilitating imports into, and augmenting exports from India and for all matters connected therewith or incidental thereto. Under the Act, every importer and exporter must obtain an 'Importer Exporter Code Number' (IEC) from Director General of Foreign Trade or from the officer so authorised.



## HISTORY AND CERTAIN CORPORATE MATTERS

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in authorized share capital, etc. Hence, this chapter is prepared based on the report of search, conducted by M/s. APAC & Associates LLP, Company Secretaries at Registrar of Companies (ROC), data provided by management and to the best of information available.*

### **Brief History and Background**

Our Company was incorporated on July 12, 1994 as “FMS Securities Limited” vide Registration no. 02-04175 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong and received Certificate for Commencement of Business on July 20, 1994. Further the Registered Office of the Company was changed to National Capital Territory of Delhi & Haryana from State of Assam and fresh certificate for change in registered office was issued by Registrar of Companies, National Capital Territory of Delhi & Haryana dated December 21, 2000 pursuant to CLB Eastern Region Bench order dated August 09, 2000.

In the year 2000, our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the control of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mrs. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat. Under the auspices of our Promoters, our Company’s turnover has witnessed sustained growth. Moreover, Our Company has expanded into the service sector providing solutions to various needs of the investors in the sector of equity broking, investing and trading activities.

Pursuant to the scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon’ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited. Vide a fresh certificate of Incorporation pursuant to change of name dated July 15, 2010 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 having CIN U67120UP1994PLC050209 pursuant to Company Law Board, New Delhi Bench order dated April 17, 2012.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “*Industry Overview*”, “*Our Business*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 100, 106, 136, 171 and 228 respectively.

### **Changes in Registered Office of the Company since incorporation**

The Registered Office of the Company is situated at 6th Milestone, New Bhai- Chara Complex, Opp. Mata Mandir, Chikambarpur UP Border, Sahibabad, Uttar Pradesh-201006,.

Following changes has been made in our registered office since incorporation till date of this prospectus:

| <b>Date of Change</b> | <b>From</b>  | <b>To</b>  | <b>Reason for Change</b>              |
|-----------------------|--|--|---------------------------------------|
| Since Incorporation   | S. Senapati Road, Behind Silpukhuri Road, Guhawati , 781003  | -  | -                                     |
| August 09, 2000       | S. Senapati Road, Behind Silpukhuri Road, Guhawati , 781003  | A-36, First Floor, Guru Nanak Pura, Vikas Marg, Delhi-110092 | For better administrative convenience |
| February 20, 2001     | A-36, First Floor, Guru Nanak Pura, Vikas Marg, Delhi-110092 | A-66, First Floor, Guru Nanak Pura, Vikas Marg, Delhi-110092 | For better administrative convenience |
| July 16, 2010         | A-66, First Floor, Guru Nanak Pura, Vikas Marg, Delhi-110092 | 14, Dayanand Vihar, Delhi-110092                             | For better administrative convenience |



|                |                                     |  |                                     |
|----------------|-------------------------------------|--|-------------------------------------|
| April 19, 2012 | 14, Dayanand Vihar,<br>Delhi-110092 | 6th Milestone, New Bhai-Chara Complex, Opp. Mata Mandir, Chikambarpur UP Border, Sahibabad, Uttar Pradesh-201006 | To increase operational efficiency. |
|----------------|-------------------------------------|--|-------------------------------------|

### Our Main Object

The main object of our Company as set forth in the Memorandum of Association of our Company is as follows:

So long as the Company is engaged in stock broking as a member of any recognized Stock Exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange is permitted to engage in under the Securities and Contracts (Regulation) Rules, 1957, and the Rules, Bye-laws & Regulations of the Stock Exchange. Subject to the foregoing, the objects for which the company is established are:

To acquire individual Membership of Shri H.S. Kumbhat in Bombay Stock Exchange for conversion into corporate membership and to apply for and obtain memberships in stock exchanges, to carry on business either singularly or jointly with others as share and stock brokers, members of stock exchanges, depository participants, underwriters, merchant bankers, portfolio managers, security market operators, custodians, issue houses, registrars and share transfer agents, trustees, executors, attorneys, nominees, negotiators, arbitrators, issue advisors, as advisors and consultants in investment, financial, management, technical, operational and other fields, as investors, lenders, borrowers, lessors, lessees, hire purchasers, sellers on hire, mortgagors, mortgagees, sureties, representatives, agents, valuers, surveyors and inspectors, Mutual Funds, Bankers to issue, promote and provide guarantees to the Companies engaged in Trading business and to carry out all type of financing operations and performing all types of financing services including factoring, bull marketing and bill discounting, to invest in and acquire by way of gift or otherwise and to hold, sell, buy or otherwise deal in shares, debentures debentures-stocks, bond, units obligation and securities of all kinds issued and guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere, to deal in and discount bills, promissory notes, hundies, cheques, warrants, coupons, commercial papers, and other negotiable and transferable instruments, licences, options, privileges, book debts, claims, choose in action and contracts, operators of safe deposit vaults, to negotiate, procure and guarantee the procurement of loans, funds, deposits and subscriptions for securities, mortgages, leases, and obligations and to carry on the business in indemnities, to advance, deposit and lend and to accept advances, deposits and loans, to execute trusts and to deal in reversionary, contingent and other rights and interests, to carry on all or any of the businesses connected with financial and commercial markets, real estate, to supply, provide, maintain and operate services, facilities, conveniences, bureaus and the like providing general, administrative, commercial, financial, technical, placement, credit rating and credit information services, to float, promote, form, subsidise, assist, receive, work, perform and undertake and direct the formation, supervision and control of any business, enterprise or operation, to carry on the business as buyers, sellers, importers, exporters, manufacturers, producers, processors, growers and dealers in capital goods and other merchandise and products, jewellery, precious stones, minerals, metals, curios, artifacts and articles of virtue, arts and antiquities and as transporters and carriers by road, sea or air and as warehousemen and stevedores.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

| Sr. No. | Particulars   | Date of Meeting  | Type of Meeting |
|---------|---|------------------|-----------------|
| 1.      | Amendment of Memorandum of Association pursuant to Change of Registered Address of our Company from State of Assam to National Capital Territory of Delhi and Haryana and fresh certificate for change in registered office was issued by Registrar of Companies, National Capital Territory of Delhi & Haryana dated December 21, 2000 pursuant to CLB Eastern Region Bench order dated August 09, 2000. | January 16, 2000 | EGM             |
| 2.      | The initial authorised share capital increased from ₹30,00,000 (Thirty Lakh) divided into 3,00,000 (Three Lakh) equity Shares of ₹  | July 20, 1999    | EGM             |



|    |   |                |     |
|----|---|----------------|-----|
|    | 10 each to ₹ 1,50,00,000 (One Crore and Fifty Lakh) divided into 15,00,000 (Fifteen Lakh) Equity shares of ₹ 10 each .  |                |     |
| 3. | Increase in authorized share capital from ₹ 1,50,00,000 (One Crore and Fifty Lakh) divided into 15,00,000 (Fifteen Lakh) Equity shares of ₹ 10 each to ₹ 2,25,00,000 (Two Crore and Twenty Five Lakh) divided into 22,50,000 (Twenty Two Lakh and Fifty Thousand) Equity shares of ₹ 10 each  | March 30, 2001 | EGM |
| 4. | <p><u>Change in Clause III (Object Clause) of the Memorandum of Association:</u><br/>Main object of the Company was replaced by the following clause:</p> <p>“So long as the Company is engaged in stock broking as a member of any recognized Stock Exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange is permitted to engage in under the Securities and Contracts (Regulation) Rules, 1957, and the Rules, Bye-laws &amp; Regulations of the Stock Exchange. Subject to the foregoing, the objects for which the company is established are:</p> <p>To acquire individual Membership of Shri H.S. Kumbhat in Bombay Stock Exchange for conversion into corporate membership and to apply for and obtain memberships in stock exchanges, to carry on business either singularly or jointly with others as share and stock brokers, members of stock exchanges, depository participants, underwriters, merchant bankers, portfolio managers, security market operators, custodians, issue houses, registrars and share transfer agents, trustees, executors, attorneys, nominees, negotiators, arbitrators, issue advisors, as advisors and consultants in investment, financial, management, technical, operational and other fields, as investors, lenders, borrowers, lessors, lessees, hire purchasers, sellers on hire, mortgagers, mortgagees, sureties, representatives, agents, valuers, surveyors and inspectors, Mutual Funds, Bankers to issue, promote and provide guarantees to the Companies engaged in Trading business and to carry out all type of financing operations and performing all types of financing services including factoring, bull marketing and bill discounting, to invest in and acquire by way of gift or otherwise and to hold, sell, buy or otherwise deal in shares, debentures debentures-stocks, bond, units obligation and securities of all kinds issued and guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere, to deal in and discount bills, promissory notes, hundies, cheques, warrants, coupons, commercial papers, and other negotiable and transferable instruments, licences, options, privileges, book debts, claims, choose in action and contracts, operators of safe deposit vaults, to negotiate, procure and guarantee the procurement of loans, funds, deposits and subscriptions for securities, mortgages, leases, and obligations and to carry on the business in indemnities, to advance, deposit and lend and to accept advances, deposits and loans, to execute trusts and to deal in reversionary, contingent and other rights and interests, to carry on all or any of the businesses connected with financial and commercial markets, real estate, to supply, provide, maintain and operate services, facilities, conveniences, bureaus and the like providing general, administrative, commercial, financial, technical, placement, credit rating and credit information services, to float, promote, form, subsidise, assist, receive, work, perform and undertake and direct the formation, supervision and control of any business, enterprise or operation, to carry on the business as buyers, sellers, importers, exporters, manufacturers, producers, processors, growers and dealers in capital goods and other merchandise and</p> | March 26, 2009 | EGM |





|     |   |                   |     |
|-----|---|-------------------|-----|
|     | products, jewellery, precious stones, minerals, metals, curios, artifacts and articles of virtue, arts and antiquities and as transporters and carriers by road, sea or air and as warehousemen and stevedores.”  |                   |     |
| 5.  | Increase in authorized share capital from ₹ 2,25,00,000 (Two Crore and Twenty Five Lakh) divided into 22,50,000 (Twenty Two Lakh and Fifty Thousand) Equity shares of ₹ 10 each to ₹ 4,25,00,000 (Four Crore and Twenty Five Lakh) divided into 42,50,000 (Forty Two Lakh and Fifty Thousand) Equity shares of ₹ 10 each due to clubbing of authorised capital of erstwhile Share India Securities Ltd, which merged into our company vide order of High Court dated May 20, 2010 | June 04, 2010     | EGM |
| 6.  | Amendment of Memorandum of Association pursuant to Change of name of our Company from FMS Securities Limited to Share India Securities Limited. vide a fresh certificate of Incorporation issued by Registrar of Companies, National Capital Territory of Delhi and Haryana dated July 15, 2010   | July 12, 2010     | EGM |
| 7.  | Amendment of Memorandum of Association pursuant to Change of Registered Address of Our Company from State of National Capital Territory of Delhi and Haryana to State of Uttar Pradesh and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02 ,2012 pursuant to CLB New Delhi Bench order dated April 17, 2012  | August 16, 2011   | EGM |
| 8.  | <u>Change in Clause IV (Liability Clause) of the Memorandum of Association:</u><br>Liability clause of the Company was replaced by the following clause:<br>“The Liability of the members shall be limited.”  | November 11, 2013 | EGM |
| 9.  | Increase in authorized share capital from ₹ 4,25,00,000 (Four Crore and Twenty Five Lakh) divided into 42,50,000 (Forty Two Lakh and Fifty Thousand) Equity shares of ₹ 10 each to ₹ 6,00,00,000 (Six Crore) divided into 60,00,000 (Sixty Lakhs) Equity shares of ₹ 10 each  | August 06, 2015   | EGM |
| 10. | Increase in authorized share capital from ₹ 6,00,00,000 (Six Crore) divided into 60,00,000 (Sixty Lakh) Equity shares of ₹ 10 each to ₹ 25,00,00,000 (Twenty Five Crore) divided into 2,50,00,000 (Two Crore and Fifty Lakh) Equity shares of ₹ 10 each   | July 22, 2017     | EGM |
| 11. | Adoption of new set of Memorandum of Association of the Company to aligned the same as per the provisions of Companies Act, 2013  | July 22, 2017     | EGM |

#### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-ordinary General Meeting of the Company dated July 22, 2017.

#### Key Events and Mile Stones

| Year | Key Events / Milestone / Achievements  |
|------|--|
| 1994 | Incorporation of the Company in the name and style of “FMS Securities Limited”   |
| 1994 | Certificate of Commencement of Business  |
| 2000 | <ul style="list-style-type: none"> <li>Transfer of the Ownership of the Company from erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mrs. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat to Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta.</li> <li>“Registered as a member with one of the leading and Asia’s oldest Stock Exchange of India i.e. “BSE Limited”</li> </ul> |
| 2007 | Registered as member in Futures and Options segment with “BSE Limited” to expand the business Operations of the Company.   |



|      |   |
|------|---|
| 2008 | Registered as member in Currency Derivatives segment with “BSE Limited” to expand the business Operations of the Company.   |
| 2010 | <ul style="list-style-type: none"> <li>Amalgamation of Share India Securities Limited with the Company as per the order of Hon’ble High Court of Delhi.</li> <li>Name of the Company was changed to “Share India Securities Limited.” From “FMS Securities Limited.”</li> </ul> |
| 2011 | Registered as a trading member with United Stock Exchange of India Limited.   |
| 2012 | Acquired trading membership of National Stock Exchange of India Limited, MCX Stock Exchange Limited   |
| 2013 | Registered in the additional Cash and Futures & Option segment of MCX Stock Exchange of India Limited and became a centralised platform of providing all stock broking solutions.   |
| 2015 | Granted certificate of permanent registration as Depository Participant with Central Depository Services (India) Limited by Securities and Exchange Board of India  |
| 2016 | <ul style="list-style-type: none"> <li>Registered as a Mutual Fund Advisor with Association of Mutual Funds in India</li> <li>Surrender of membership with United Stock Exchange of India Limited &amp; MCX Stock Exchange of India Limited</li> </ul>                          |
| 2017 | <ul style="list-style-type: none"> <li>Registered as a Research Analyst with Securities and Exchange Board of India</li> </ul>  |

**Other Details about our Company**

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on page 106, 228 and 95 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “Our Management” and “Capital Structure” beginning on page 136 and 57 of the Prospectus respectively.

**Acquisition of Business/Undertakings**

In the year 2000, our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the control of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mrs. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat.

**Amalgamation**

**Scheme of Amalgamation between Share India Securities Limited and Our Company:**

Pursuant to a scheme of amalgamation under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956, and approved by the High Court of Delhi by its order dated May 20, 2010, Share India Securities Limited was amalgamated with and into our Company with effect from June 04, 2010. Pursuant to the Scheme of Amalgamation, the entire business and functions of Share India Securities Limited, including all its properties, assets, liabilities and obligations were transferred to and vested in our Company as on the appointed date, i.e. April 01, 2009, and Share India Securities Limited was dissolved without the process of winding up. The purpose of the Scheme of Amalgamation was for a better and more efficient diversification and expansion of Business operations.

In consideration of the transfer and vesting of, among other things, all the undertakings, the entire business, assets, liabilities and duties by Share India Securities Limited, our Company issued and allotted Equity Shares, credited as fully paid up, to every equity shareholder of Share India Securities Limited, in the ratio of 1 Equity Share in our Company for every 1 equity share of ₹ 10 held by them in Share India Securities Limited. Upon the coming into effect of the Scheme of Amalgamation the authorized share capital of our Company stood enhanced by adding the authorized share capital of Share India Securities Limited of ₹2,00,00,000 to that of our Company. Further, the name of our Company was changed to “Share India Securities Limited.” from “FMS Securities Limited”.

**Holding Company**

As on the date of the Prospectus, our Company is not a subsidiary of any Company.



### Subsidiary of our Company

As on the date of this Prospectus, we have 2 (two) wholly owned subsidiaries viz., Share India Securities (IFSC) Private Limited and Share India Finvest Private Limited. For further details on our Subsidiaries, please see Chapter “*Our Subsidiary and Associate Company*” on page 166 of this Prospectus.

### Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 57 of this Prospectus. For details of our Company’s debt facilities, please refer section “*Statement of Financial Indebtedness*” on page 226 of this Prospectus.

### Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

### Injunction or restraining order

There are no injunctions/ restraining orders that have been passed against the Company.

### Orders from Statutory & Regulatory Authorities

Our company has received the below mentioned orders from Statutory and regulatory authorities in the past:-

| Date of Order | Section   | Outcome  |
|---------------|---|--|
| 5-Dec-13      | Under Section 15 I of Securities and Exchange Board of India Act, 1992 read with Rule 5 Of SEBI (Procedure For Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995. | A penalty of ₹ 5,00,000/- under Section 15F and ₹ 5,00,000 under Section 15HB was imposed on the company. Later, an appeal was filed with the Appellate Tribunal and the Tribunal sustained the penalty imposed under Section 15F(b) of SEBI Act and deleting the penalty of ₹ 5 lac imposed under Section 15HB of SEBI Act. |
| 23-Jul-13     | Section 12(3) of the SEBI Act read with regulation 28(2) of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.  | Directed to be careful and cautious in the conduct of its stock broking activity and to adhere to and comply with all the statutory provisions while carrying out its activities in the securities market.   |
| 12-Aug-10     | Regulation 6 of SEBI ( Procedure for holding Enquiry by the Enquiry Officer and Imposing Penalty ) Regulation 2002  | The company has paid settlement charges of ₹ 4,00,000/-in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated 20.04.2007.   |
| 10-May-10     | Under Regulation 28(2) read with Regulation 38(2) of the Securities and Exchange Board of India (Intermediaries) Regulation 2008  | Directed to be careful and cautious in the conduct of its stock broking activity and to adhere to and comply with all the statutory provisions while carrying out its activities in the securities market.   |
| 26-Apr-10     | Under Regulation 28(2) read with Regulation 38(2) of the Securities and Exchange Board of India (Intermediaries) Regulation 2008  | Directed to be careful and cautious in the conduct of its stock broking activity and to adhere to and comply with all the statutory provisions while carrying out its activities in the securities market.   |
| 25-Mar-10     | Under Section 15 I of Securities and Exchange Board of India Act, 1992 read with Rule 5 Of SEBI (Procedure For Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995  | Matter disposed off and no penalty imposed   |
| 11-Feb-10     | Under Section 15 I of Securities and Exchange Board of India Act, 1992 read with Rule 5 Of SEBI (Procedure For Holding Inquiry And Imposing Penalties By Adjudicating Officer)              | A penalty of ₹ 75000/- under Section 15HB was imposed on the company.  |



|           |  |  |
|-----------|--|--|
|           | Rules, 1995  |  |
| 13-Nov-09 | Under Section 15 I of Securities and Exchange Board of India Act, 1992 read with Rule 5 Of SEBI (Procedure For Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995 | A penalty of ₹ 75000/- under Section 15HA (For fraudulent and unfair trade practices) and ₹ 25000 under Section 15HB was imposed on the company. |
| 26-Aug-09 | Under Section 15 I of Securities and Exchange Board of India Act, 1992 read with Rule 5 Of SEBI (Procedure For Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995 | A penalty of ₹ 75000/- under Section 15HA (For fraudulent and unfair trade practices) and ₹ 25000 under Section 15HB was imposed on the company. |
| 14-May-09 | Under Section 15 I of Securities and Exchange Board of India Act, 1992 read with Rule 5 Of SEBI (Procedure For Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995 | A penalty of ₹ 75000/- under Section 15HA (For fraudulent and unfair trade practices) and ₹ 25000 under Section 15HB was imposed on the company. |

### Revaluation of Assets

Our Company has not revalued its assets since incorporation

### Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.

### Lock-out or strikes

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Prospectus, our employees are not unionized.

### Shareholders of our Company:

Our Company has Twenty one (21) shareholders as on the date of the Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 57 of this Prospectus.

### Changes in the Management

For details of change in Management, please see chapter titled "*Our Management*" on page 136 of the Prospectus.

### Changes in activities of our Company during the last five (5) years

Except as disclosed in the Prospectus, our Company has not changed its line of activities in the last five (5) years.

### Shareholders Agreements

As on the date of the Prospectus, there are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

### Collaboration Agreements

As on the date of the Prospectus, our Company is not a party to any collaboration agreements.



### **Material Agreement**

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

### **Acquisition agreements**

As on the date of the Prospectus, our Company is not a party to any acquisition agreements.

### **OTHER AGREEMENTS**

#### **Non Compete Agreement**

Except as disclosed in this Prospectus, our Company has not entered into any Non-compete Agreement on the date of filing of the Prospectus.

#### **Joint Venture Agreement**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

#### **Strategic Partners**

Except as mentioned in the Prospectus, Our Company does not have any strategic partners as on the date of the Prospectus.

#### **Financial Partners**

Our Company does not have any financial partners as on the date of the Prospectus.

#### **Corporate Profile of our Company**

For details on the description of our Company's activities, the growth of our Company, please see "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" and "***Basis of Issue Price***" on page 106, 228 and 95 of the Prospectus.



## OUR MANAGEMENT

### Board of Directors:

As per the Articles of Association, our Company is required to have not less than 3(Three) Directors and not more than 15(Fifteen) Directors. Currently, our Company has Nine (9) Directors and out of which Four (4) are non- Executive Directors.

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Prospectus:

| Sr. No. | Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN   | Date of Appointment   | No. of Equity Shares held & % of Share holding (Pre Issue)     | Other Directorships   |
|---------|---|---|--|---|
| 1.      | <b>Mr. Parveen Gupta</b><br><b>Father Name:</b> Lt. Sh. Gopal Dass<br><b>Age:</b> 59 Years<br><b>Designation:</b> Chairman and Managing Director<br><b>Address:</b> H. No. -179, Hargobind Enclave, Delhi-110092<br><b>Experience:</b> 25 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> Higher Secondary<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00013926   | Originally appointed on the Board as Director w.e.f. May 28, 1999<br><br>Re-Designated as Chairman and Managing Director in EGM w.e.f July 22, 2017 not liable to retire by rotation            | 18,33,200 Equity Shares; 9.91% of Pre- Issue Paid up capital   | 1. Anmol Financial Services Limited.<br>2. Windpipe Finvest Private Limited<br>3. Ever- Style Services Private Limited<br>4. Ananya Infraventures Private Limited.  |
| 2.      | <b>Mr. Sachin Gupta</b><br><b>Father Name:</b> Sh. Yash Pal Gupta<br><b>Age:</b> 37 Years<br><b>Designation:</b> Whole Time Director<br><b>Address:</b> 306, Jagriti Enclave, Delhi-110092, India<br><b>Experience:</b> 14 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> B.com<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00006070                             | Originally appointed on the Board as Director w.e.f. March 26, 2007<br><br>Re-Designated as Whole Time Director in EGM w.e.f July 22,2017 for a period of 5 years liable to retire by rotation  | 11,63,200 Equity Shares; 6.29 % of Pre- Issue Paid up capital  | 1. Share India Commodity Brokers Private Limited.<br>2. Share India Finvest Private Limited.<br>3. Share India Securities (IFSC) Private Limited.   |
| 3.      | <b>Mr. Rajesh Gupta</b><br><b>Father Name :</b> Lt. Sh. Gopal Dass<br><b>Age:</b> 54 Years<br><b>Designation:</b> Whole Time Director<br><b>Address:</b> 25, Hargobind Enclave, Shakarpur, East Delhi-110092, India<br><b>Experience:</b> 20Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> Bachelor of Laws<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00006056 | Originally appointed on the Board as Director w.e.f. March 01, 2008<br><br>Re-designated as Whole Time Director in EGM w.e.f July 22, 2017 for a period of 5 years liable to retire by rotation | 19,86,068 Equity Shares; 10.74 % of Pre- Issue Paid up capital | 1. Share India Commodity Brokers Private Limited.<br>2. Anmol Financial Services Limited.<br>3. Windpipe Finvest Private Limited.<br>4. Ever –Style Services Private Limited<br>5. N.R. Merchants Private Limited.<br>6. Share India Securities (IFSC) Private Limited. |



| Sr. No. | Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN  | Date of Appointment  | No. of Equity Shares held & % of Share holding (Pre Issue)    | Other Directorships  |
|---------|--|--|---|--|
| 4.      | <b>Mrs. Saroj Gupta</b><br><b>Father Name:</b> Sh. Harbans Mittal<br><b>Age:</b> 61 Years<br><b>Designation:</b> Whole Time Director<br><b>Address:</b> 306, Jagriti Enclave, Delhi-110092, India<br><b>Experience:</b> 9 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> Bachelor of Arts<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00013839                    | Originally appointed on the Board as Director w.e.f. March 01, 2008<br><br>Re-Designated as Whole Time Director in EGM w.e.f July 22, 2017 for a period of 5 years liable to retire by rotation                              | 17,33,600 Equity Shares; 9.37 % of Pre- Issue Paid up capital | NIL  |
| 5.      | <b>Mr. Rohin Gupta</b><br><b>Father Name:</b> Sh. Parveen Gupta<br><b>Age:</b> 29 Years<br><b>Designation:</b> Whole Time Director<br><b>Address:</b> 179, Near Shanti Mukand Hospital, Hargobind Enclave, Delhi-110092<br><b>Experience:</b> 5 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> Marticulation<br><b>Nationality:</b> Indian<br><b>DIN:</b> 06942300 | Originally appointed on the Board as Whole Time Director w.e.f. July 22, 2017  | 13,23,312 Equity Shares; 7.16 % of Pre- Issue Paid up capital | 1. Modtech Infraventures Private Limited   |
| 6.      | <b>Mr. Yash Pal Gupta</b><br><b>Father Name :</b> Lt. Sh. Gopal Dass Gupta<br><b>Age:</b> 62 Years<br><b>Designation:</b> Non- Executive Director<br><b>Address:</b> 306, Jagriti Enclave, Delhi-110092, India<br><b>Experience:</b> 20 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> Bachelor of Arts<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00013872      | Originally appointed on the Board as Director w.e.f. May 28, 1999.   | 15,70,600 Equity Shares; 8.49 % of Pre- Issue Paid up capital | 1. Anmol Financial Services Limited.<br>2. Windpipe Finvest Private Limited.<br>3. Algowire Systems Private Limited  |
| 7.      | <b>Mr. Vikas Kumar Mittal</b><br><b>Father Name:</b> Sh. Jagdish Rai Mittal<br><b>Age:</b> 38 Years<br><b>Designation:</b> Independent Director<br><b>Address:</b> 103, Hargobind Enclave, Delhi-110092, India<br><b>Experience:</b> 12 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> B.com<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00417594                 | Originally appointed on the Board as Additional Independent Director w.e.f. November 28, 2016<br><br>Regularized as Independent Director in EGM w.e.f July 22, 2017 for a period of 5 years not liable to retire by rotation | NIL   | 1. Lifestyle Impex Private Limited.<br>2. Icon Plast (India) Private Limited.<br>3. Tarzan Merchants Pvt Ltd<br>4. Wonder Mold Plast Private Limited<br>5. Allneeds Hotels & Banquets Private Limited. |





| Sr. No. | Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN  | Date of Appointment   | No. of Equity Shares held & % of Share holding (Pre Issue) | Other Directorships                |
|---------|--|---|--|------------------------------------|
| 8.      | <b>Mr. Rakesh Kumar Sharma</b><br><b>Father Name:</b> Sh. Shanker Kumar Sharma<br><b>Age:</b> 63 Years<br><b>Designation:</b> Independent Director<br><b>Address:</b> Flat No. 408, Sunehri Bagh apartments, Sector-13, Rohini, North West Delhi-110085<br><b>Experience:</b> 39 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> Bachelor of Arts<br><b>Nationality:</b> Indian<br><b>DIN:</b> 07159218   | Originally appointed on the Board as Additional Independent Director w.e.f. November 28, 2016<br><br>Regularized as Independent Director in EGM w.e.f. July 22, 2017 for a period of 5 years not liable to retire by rotation | NIL  | 1. ARK Educonnect Technologies LLP |
| 9.      | <b>Mr. Santosh Kumar Taneja</b><br><b>Father Name:</b> Sh. Tej Bhan Taneja<br><b>Age:</b> 71 Years<br><b>Designation:</b> Independent Director<br><b>Address:</b> A-287, Devaral Nagar, Dr. Mukherjee Nagar, S.O. North West, Delhi-110009<br><b>Experience:</b> 40 Years<br><b>Occupation:</b> Business<br><b>Qualifications:</b> Bachelor of Engineering (Civil)<br><b>Nationality:</b> Indian<br><b>DIN:</b> 07877338 | Originally appointed on the Board as Independent Director w.e.f. July 22, 2017  | NIL  | NIL                                |

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Mr. Parveen Gupta, Chairman and Managing Director, Age: 59 Years**

Mr. Parveen Gupta aged 59 years, is Chairman and Managing Director and also the Promoter of our Company. He has an experience of more than 25 years in stock market operations and 20 years in the field of Financing with a focus on financing of commercial vehicles. Since 1999 he has been associated with our Company and later been re-designated as Chairman and Managing Director of the Company with effect from July 22, 2017. His involvement and guidance has been instrumental in the growth and development of the company. His varied experience and vision helps our Company work united towards the same goals of the vision set by the management. He possess good knowledge about the intricacies of the Indian Stock Market. He has been a key player in the overall growth of the Company with his efforts. Besides, looking after day to day affairs of the Company, he controls the planning, finance and implementation functions of our Company.

#### **2. Mr. Sachin Gupta, Whole-time Director , Age: 37 Years**

Mr. Sachin Gupta aged 37 years, is the Promoter as well as the Whole Time Director of our Company. He holds a degree of Bachelor of Commerce from University of Delhi. He has been associated with our Company since 2003 and looking after the trading and arbitrage operations of the Company. He was appointed as Director in the year 2007 and further, re designated as Whole time Director of the Company vide Extra Ordinary General Meeting held on July 22, 2017. He is a young, dynamic, hardworking and a dedicated team leader. His efforts have been instrumental in spurt in gross revenues achieved by the company in the recent past. His strength lies in the formulation of unique marketing ideas and innovative solutions to the various operational problems. He also looks after the Marketing operations of the Company.



**3. Mr. Rajesh Gupta, Whole Time Director, Age: 54 years**

Mr. Rajesh Gupta aged 54 years is Promoter as well as the Whole Time Director of our Company and was originally appointed as Director on March 01, 2008 and later re designated as Whole Time Director vide Extra Ordinary General Meeting held on July 22, 2017. He holds degree of Bachelor of Laws from Guru Nanak Dev University. He is having overall 20years of experience in the fields of commercial financing and stock market operations. He currently look after the overall financial matters and related operations of the Company.

**4. Mrs. Saroj Gupta, Whole Time Director, Age: 61 years**

Mrs. Saroj Gupta aged 61 years is the Whole Time Director of our Company and was originally appointed as Director on March 01, 2008 and later re designated as Whole Time Director vide Extra ordinary General Meeting held on July 22, 2017. She holds degree of Bachelor of Arts from Punjab University. She has over 9 years of experience in the field of stock market operations. She is actively engaged in managing the Back office operations of the Company.

**5. Mr. Rohin Gupta, Whole Time Director, Age: 29 years**

Mr. Rohin Gupta aged 29 years is the Whole Time Director of our Company and was originally appointed on July 22, 2017. He has around 5 years of experience in the field of Stock Market Operation. He has an ability to exercise objectivity and independence in making informed business decisions. He has a high level of personal and professional ethics, and has good reputation and integrity. He has skills, Knowledge and experience relevant to the Company's business.

**6. Mr. Yash Pal Gupta, Non- Executive Director, Age: 62 years**

Mr. Yash Pal Gupta aged 62 years is Promoter of our Company and was originally appointed as Director on May 28, 1999. He holds degree of Bachelor of Arts from Punjab University. He is having an experience of which more than 18 years he has been involved in stock market operations and around 20 years in the field of Financing with a focus on financing of commercial vehicles.

**7. Mr. Vikas Kumar Mittal, Independent Director, Age: 38 years**

Mr. Vikas Kumar Mittal aged 38 years is the Independent Director of our Company. He holds degree of Bachelor of Commerce. He has over 12 years of experience in the field of management of finance related activities.

**8. Mr. Rakesh Kumar Sharma, Independent Director, Age: 63 years**

Mr. Rakesh Kumar Sharma aged 63 years is the Independent Director of our Company. He holds degree of Bachelor of Arts from Guru Nanak Dev University. He has over 40 years of experience in the field of finance and insurance related activities. He is retired as a Senior Divisional Manager from the Oriental Insurance Company Limited on 30<sup>th</sup> June, 2014 after serving 37 years in such capacity.

**9. Mr. Santosh Kumar Taneja, Independent Director, Age: 71 years**

Mr. Santosh Kumar Taneja aged 71 years is the Independent Director of our Company appointed on July 22, 2017. He holds degree of Bachelor of Engineering from Punjabi University, Patiala. He has over 40 years of experience in the field of Engineering. He is a person of integrity and possesses skills, experience and knowledge in the field of research and technical operations.

**Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this Prospectus.



- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

**Nature of any family relationship between any of our Directors:**

The present Directors in our Board are related to each other, details of which are as follows:-

| Sr. No. | Name of Director   | Name of Director and Relation with Director  |
|---------|--------------------|--|
| 1.      | Mr. Parveen Gupta  | Mr. Rajesh Gupta (Brother)<br>Mr. Yash Pal Gupta (Brother)<br>Mr. Rohin Gupta (Son)                              |
| 2.      | Mr. Yash Pal Gupta | Mr. Rajesh Gupta (Brother)<br>Mr. Parveen Gupta (Brother)<br>Mrs. Saroj Gupta (Spouse)<br>Mr. Sachin Gupta (Son) |
| 3.      | Mr. Sachin Gupta   | Mr. Yash Pal Gupta (Father)<br>Mrs. Saroj Gupta (Mother)   |
| 4.      | Mr. Rajesh Gupta   | Mr. Yash Pal Gupta (Brother)<br>Mr. Parveen Gupta (Brother)  |
| 5.      | Mrs. Saroj Gupta   | Mr. Yash Pal Gupta (Spouse)<br>Mr. Sachin Gupta (Son)  |
| 6.      | Mr. Rohin Gupta    | Mr. Parveen Gupta (Father)   |

**Arrangements with major Shareholders, Customers, Suppliers or Others**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

**Service Contracts**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Details of Borrowing Powers of Directors**

Our Company has passed a Special Resolution in the Extra Ordinary General Meeting of the members held on August 08, 2016 authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 500 Crore (Rupees Five Hundred Crore only).

**Compensation of our Managing Director and Whole Time Directors**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Directors:

| Particulars                          | Mr. Parveen Gupta              | Mr. Sachin Gupta               | Mr. Rajesh Gupta               | Mrs. Saroj Gupta               | Mr. Rohin Gupta                |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Re-Appointment/Change in Designation | Resolution dated July 22, 2017 | Resolution dated July 22, 2017 | Resolution dated July 22, 2017 | Resolution dated July 22, 2017 | Resolution dated July 22, 2017 |



| Designation                        | Chairman cum Managing Director              | Whole Time Director                     | Whole Time Director                     | Whole Time Director                     | Whole Time Director                     |
|------------------------------------|---|---|---|---|---|
| Term of Appointment                | 5 years<br>Not liable to retire by rotation | 5 years<br>Liable to retire by rotation | 5 years<br>Liable to retire by rotation | 5 years<br>Liable to retire by rotation | 5 years<br>Liable to retire by rotation |
| Remuneration                       | Upto<br>Rs.21,60,000/-<br>p.a.              | Upto<br>Rs.20,40,000/-<br>p.a.          | Upto<br>Rs.21,60,000/-<br>p.a.          | Upto<br>Rs.21,60,000/-<br>p.a.          | 10,20,000/-<br>p.a.                     |
| Remuneration paid for Year 2016-17 | Rs.<br>21,60,000/-                          | Rs. 20,40,000/-                         | Rs.<br>21,60,000/-                      | Rs.<br>21,60,000/-                      | Rs.53,77,000/-                          |

#### **Bonus or Profit Sharing Plan for our Directors**

We have no bonus or profit sharing plan for our Directors.

#### **Sitting Fee**

The Articles of Association of our Company provides for payment of sitting fees to Directors for attending the meeting of the Board or a committee thereof which shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Director have resolved in their meeting dated July 06, 2017 for payment of Rs. 2000/- to all Non-Executive Director and /or Independent Director for attending each such meeting of the Board or Committee thereof.

#### **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

| Sr. No. | Name of Director   | No. of Shares held | Holding in % |
|---------|--------------------|--------------------|--------------|
| 1.      | Mr. Parveen Gupta  | 18,33,200          | 9.91%        |
| 2.      | Mr. Yash Pal Gupta | 15,70,600          | 8.49 %       |
| 3.      | Mr. Sachin Gupta   | 11,63,200          | 6.29 %       |
| 4.      | Mr. Rajesh Gupta   | 19,86,068          | 10.74 %      |
| 5.      | Mrs. Saroj Gupta   | 17,33,600          | 9.37 %       |
| 6.      | Mr. Rohin Gupta    | 13,23,312          | 7.16 %       |

#### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- ***“Compensation of our Managing Director and Whole time Directors”*** above, beginning on page 140 of this Prospectus

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section ***“Our Management”*** or the section titled ***“Financial information of the***



**Company - Related Party Transactions**” beginning on page 136 and 171 respectively of this Prospectus, and except to the extent of their shareholding in our Company, our Directors do not have any other interest in our business.

Further except as provided hereunder, our Directors are not interested in our Company in any manner:

| Sr. No. | Director           | Interest  |
|---------|--------------------|---|
| 1.      | Mr. Yash Pal Gupta | Personal Guarantee of Mr. Yash Pal Gupta against the total borrowings of ₹ 5000 Lakhs made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹ 5000 Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Yash Pal Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited and provided the security of his property situated at Pt No. 306, Jagriti Enclave, New Delhi – 110092 against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited. |
| 2.      | Mr. Parveen Gupta  | Personal Guarantee of Mr. Parveen Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Parveen Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.  |
| 3.      | Mr. Rajesh Gupta   | Personal Guarantee of Mr. Rajesh Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Rajesh Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.  |
| 4.      | Mr. Sachin Gupta   | Personal Guarantee of Mr. Sachin Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Sachin Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.   |
| 5.      | Mrs. Saroj Gupta   | Personal Guarantee of Mrs. Saroj Gupta and her relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.  |

#### **Interest in the property of our Company**

Except as disclosed in the chapters titled **“Our Business”** and **“Financial Information of the Company – Related Party Transactions”** on page 106 and 171 respectively of this Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Prospectus.

#### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

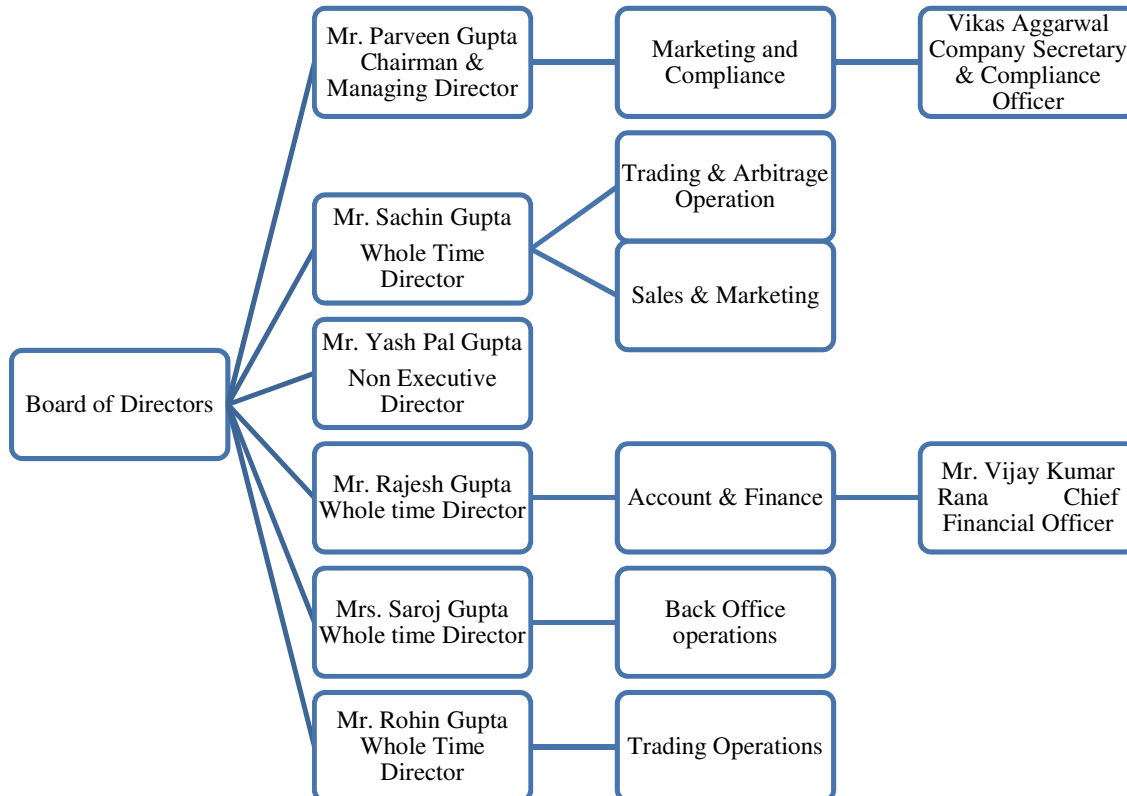
| Sr. No. | Name                     | Date & Nature of Change                               | Reasons for Change                    |
|---------|--------------------------|---|---------------------------------------|
| 1.      | Mr. Santosh Kumar Taneja | July 22,2017 & Appointment as Independent Director    | To ensure Better Corporate governance |
| 2.      | Mr. Rakesh Kumar Sharma  | July 22,2017 & Regularization as Independent Director | To ensure Better Corporate governance |
| 3.      | Mr. Vikas Kumar Mittal   | July 22,2017 & Regularization as Independent Director | To ensure Better Corporate governance |
| 4.      | Mr. Rohin Gupta          | July 22,2017 & Appointment as Whole Time Director     | To ensure Better Corporate governance |



|     |                         |  |                                       |
|-----|-------------------------|--|---------------------------------------|
| 5.  | Mr. Sachin Gupta        | July 22,2017 & Change in Designation as Whole Time Director            | To ensure Better Corporate governance |
| 6.  | Mr. Parveen Gupta       | July 22,2017 & Change in Designation as Chairman cum Managing Director | To ensure Better Corporate governance |
| 7.  | Mr. Rajesh Gupta        | July 22,2017 & Change in Designation as Whole Time Director            | To ensure Better Corporate governance |
| 8.  | Mrs. Saroj Gupta        | July 22,2017 & Change in Designation as Whole Time Director            | To ensure Better Corporate governance |
| 9.  | Mr. Saurabh Gupta       | Resignation dated 31.07.2017   | Personal Reason                       |
| 10. | Mr. Rakesh Kumar Sharma | November 28, 2016 & Appointment as Additional Independent Director     | To ensure Better Corporate governance |
| 11. | Mr. Vikas Kumar Mittal  | November 28, 2016 & Appointment as Additional Independent Director     | To ensure Better Corporate governance |
| 12. | Mr. Saurabh Gupta       | September 29, 2016 &Regularization as Director                         | To ensure Better Corporate governance |
| 13. | Mr. Samar Vijay         | September 01, 2016 & Cessation   | Personal Reason                       |
| 14. | Mr. Jatinder Pal Singh  | September 01, 2016 & Cessation   | Personal Reason                       |
| 15. | Mr. Saurabh Gupta       | April 15, 2016 & Appointment as Additional Non- Executive Director     | Expansion of Board                    |
| 16. | Mr. Jatinder Pal Singh  | March 31, 2015 & Appointment as Independent Director                   | To ensure Better Corporate Governance |
| 17. | Mr. Samar Vijay         | March 31, 2015 & Appointment as Independent Director                   | To ensure Better Corporate Governance |

### MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-







## COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of BSE.

Our Board has been constituted in compliance with the Companies Act and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Nine (9) directors of which three (3) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **Audit Committee:**

Our Company has re-constituted an Audit Committee ( "Audit Committee" ), vide Board Resolution dated November 28, 2016 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of BSE ( "BSE SME" ), The constituted Audit Committee comprises following members:

| Name of the Director    | Status in Committee | Nature of Directorship       |
|-------------------------|---------------------|------------------------------|
| Mr. Rakesh Kumar Sharma | Chairman            | Independent Director         |
| Mr. Vikas Kumar Mittal  | Member              | Independent Director         |
| Mr. Parveen Gupta       | Member              | Chairman & Managing Director |

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;





- modified opinion(s) in the draft audit report;
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8. Approval or any subsequent modification of transactions of the listed entity with related parties;
- 9. Scrutiny of inter-corporate loans and investments;
- 10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11. Evaluation of internal financial controls and risk management systems;
- 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14. Discussion with internal auditors of any significant findings and follow up there on;
- 15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- 16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
- 19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 20. To review the functioning of the whistle blower mechanism;
- 21. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
- 22. Audit committee shall oversee the vigil mechanism.
- 23. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
- 24. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### **Stakeholders Relationship Committee**

Our Company has re-constituted the Stakeholders Relationship Committee as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 vide Resolution dated 06.07.2017. The constituted Stakeholders Relationship Committee comprises the following:



| Name of the Director | Status in Committee | Nature of Directorship         |
|----------------------|---------------------|--------------------------------|
| Mr. Yash Pal Gupta   | Chairman            | Non Executive Director         |
| Mr. Parveen Gupta    | Member              | Chairman and Managing Director |
| Mr. Sachin Gupta     | Member              | Whole Time Director            |

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

**A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

#### **Nomination and Remuneration Committee**

Our Company has re- constituted the Nomination and Remuneration Committee as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Resolution dated 28.11.2016. The Nomination and Remuneration Committee comprise the following:

| Name of the Director    | Status in Committee | Nature of Directorship |
|-------------------------|---------------------|------------------------|
| Mr. Vikas Kumar Mittal  | Chairman            | Independent Director   |
| Mr. Rakesh Kumar Sharma | Member              | Independent Director   |
| Mr. Yash Pal Gupta      | Member              | Non Executive Director |

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the



annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

### C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises the following:-

| Name of the Director   | Status in Committee | Nature of Directorship       |
|------------------------|---------------------|------------------------------|
| Mr. Parveen Gupta      | Chairman            | Chairman & Managing Director |
| Mr. Vikas Kumar Mittal | Member              | Independent Director         |
| Mr. Sachin Gupta       | Member              | Whole Time Director          |

The Corporate Social Responsibility Committee was constituted by our Board on 28.11.2016. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act.

The terms of reference of Corporate Social Responsibility Committee include:

- a) To formulate and recommend to the Board of Directors, the Corporate Social Responsibility Policy, indicating the corporate social responsibility activities to be undertaken;
- b) To recommend the amount of expenditure to be incurred on the corporate social responsibility activities;
- c) To monitor the Corporate Social Responsibility Policy and its implementation by the Company from time to time;
- d) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the rules framed thereunder.

### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on July 06, 2017 have approved and adopted the policy on insider trading in view of the proposed public issue. Mr. Vikas Aggarwal, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring



and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

**POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 on listing of Equity Shares on the SME platform of BSE. The Board of Directors at their meeting held on July 06, 2017 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

**Our Key Managerial Personnel**

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

| Name, Designation & Educational Qualification  | Age (Years) | Date of joining as KMP                            | Compensation paid for the F.Y ended 2017 (in Rs Lacs) | Over all experience (in years) | Previous employment                            |
|--|-------------|---|---|--------------------------------|--|
| <b>Name:</b> Mr. Parveen Gupta<br><b>Designation:</b> Chairman & Managing Director<br><b>Qualification:</b> Higher Secondary         | 59          | Chairman & Managing Director w.e.f. July 22, 2017 | 21.60   | 25                             | Nil  |
| <b>Name:</b> Mr. Sachin Gupta<br><b>Designation:</b> Whole Time Director<br><b>Qualification:</b> B.Com                              | 37          | Whole Time Director w.e.f. July 22, 2017          | 20.40   | 14                             | Nil  |
| <b>Name:</b> Mr. Rajesh Gupta<br><b>Designation:</b> Whole Time Director<br><b>Qualification:</b> Bachelor of Laws                   | 54          | Whole Time Director w.e.f. July 22, 2017          | 21.60   | 20                             | Nil  |
| <b>Name:</b> Mr. Rohin Gupta<br><b>Designation:</b> Whole Time Director<br><b>Qualification:</b> Marticulation                       | 29          | Whole Time Director w.e.f. July 22, 2017          | 53.77   | 5                              |  |
| <b>Name:</b> Mrs. Saroj Gupta<br><b>Designation:</b> Whole Time Director<br><b>Qualification:</b> Bachelor of Arts                   | 61          | Whole Time Director w.e.f. July 22, 2017          | 21.60   | 9                              | Nil  |
| <b>Name:</b> Vijay Kumar Rana<br><b>Designation:</b> Chief Financial Officer<br><b>Qualification:</b> B. Com.                        | 51          | Appointed on July 06, 2017                        | 5.60  | 24                             | Consortium Securities Pvt. Ltd                 |
| <b>Name:</b> Vikas Aggarwal<br><b>Designation:</b> Company Secretary & Compliance Officer<br><b>Qualification:</b> Company Secretary | 38          | Appointed on December 12, 2014                    | 8.23  | 15                             | M/s. Adroit Financial Services Private Limited |

**BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

**1. Mr. Parveen Gupta, Chairman and Managing Director, Age: 59 Years**

Mr. Parveen Gupta aged 59 years, is Chairman and Managing Director and also the Promoter of our Company. He has an experience of more than 25years in stock market operations and 20 years in the field of Financing with a focus on financing of commercial vehicles. Since 1999 he has been associated with our Company and



later been re-designated as Chairman and Managing Director of the Company with effect from July 22, 2017. His involvement and guidance has been instrumental in the growth and development of the company. His varied experience and vision helps our Company work united towards the same goals of the vision set by the management. He possess good knowledge about the intricacies of the Indian Stock Market. He has been a key player in the overall growth of the Company with his efforts. Besides, looking after day to day affairs of the Company, he controls the planning, finance and implementation functions of our Company.

**2. Mr. Sachin Gupta, Whole-time Director , Age: 37 Years**

Mr. Sachin Gupta aged 37 years, is the Promoter as well as the Whole Time Director of our Company. He holds a degree of Bachelor of Commerce from University of Delhi. He has been associated with our Company since 2003 and looking after the trading and arbitrage operations of the Company. He was appointed as Director in the year 2007 and further, re designated as Whole time Director of the Company vide Extra Ordinary General Meeting held on July 22, 2017. He is a young, dynamic, hardworking and a dedicated team leader. His efforts have been instrumental in spurt in gross revenues achieved by the company in the recent past. His strength lies in the formulation of unique marketing ideas and innovative solutions to the various operational problems. He also looks after the Marketing operations of the Company

**3. Mr. Rajesh Gupta, Whole Time Director, Age: 54 years**

Mr. Rajesh Gupta aged 54 years is Promoter as well as the Whole Time Director of our Company and was originally appointed as Director on March 01, 2008 and later re designated as Whole Time Director vide Extra Ordinary General Meeting held on July 22, 2017. He holds degree of Bachelor of Laws from Guru Nanak Dev University. He is having overall 20years of experience in the fields of commercial financing and stock market operations. He currently look after the overall financial matters and related operations of the Company.

**4. Mrs. Saroj Gupta, Whole Time Director, Age: 61 years**

Mrs. Saroj Gupta aged 61 years is the Whole Time Director of our Company and was originally appointed as Director on March 01, 2008 and later re designated as Whole Time Director vide Extra ordinary General Meeting held on July 22, 2017. She holds degree of Bachelor of Arts from Punjab University. She has over 9 years of experience in the field of stock market operations. She is actively engaged in managing the Back office operations of the Company.

**5. Mr. Rohin Gupta, Whole Time Director, Age: 29 years**

Mr. Rohin Gupta aged 29 years is the Whole Time Director of our Company and was originally appointed on July 22, 2017. He has around 5 years of experience in the field of Stock Market Operation. He has an ability to exercise objectivity and independence in making informed business decisions. He has a high level of personal and professional ethics, and has good reputation and integrity. He has skills, Knowledge and experience relevant to the Company's business.

**6. Mr. Vijay Rana, Chief Financial Officer, Age: 51 Years**

Mr. Vijay Rana aged 51 years, is the Chief Financial Officer of our Company. He holds a Bachelor of Commerce Degree from the Jodhpur University. He has been associated with our company from last 12 years. He is having an overall experience of around 24 years' experience in the field of Corporate Accounts, Taxation & Finance. He currently looks after the Accounting, Financial and Taxation matters of our company.

**7. Mr. Vikas Aggarwal, Company Secretary & Compliance Officer, Age: 39 Years**

Mr. Vikas Aggarwal is Company Secretary and Compliance Officer of our Company. He holds a Company Secretary degree from Institute of Company Secretaries of India. He has an overall experience of around 15 years experience in the field of secretarial, compliance and legal matters. He looks after the secretarial matters of our Company. He joined our Company on December 12, 2014.

**RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

Except as disclosed in this Prospectus, there is no relationship between our Key Managerial Personnel's.

**We confirm that:**

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Mr. Parveen Gupta, Mr. Rajesh Gupta, Mr. Sachin Gupta, Mr. Saurabh Gupta, Mrs. Saroj Gupta and Mr. Rohin Gupta are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued.
- e. Except for the terms set forth in the appointment Letters/Service Agreements the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except as under:

| Sr. No. | Name of the KMP      | No. of shares held |
|---------|----------------------|--------------------|
| 1.      | Mr. Parveen Gupta    | 18,33,200          |
| 2.      | Mr. Rajesh Gupta     | 19,86,068          |
| 3.      | Mr. Sachin Gupta     | 11,63,200          |
| 4.      | Mrs. Saroj Gupta     | 1,733,600          |
| 5.      | Mr. Rohin Gupta      | 1,323,312          |
| 6.      | Mr. Vikas Aggarwal   | 78,732             |
| 7.      | Mr. Vijay Kumar Rana | 78,732             |

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

**Payment of Benefits to Officers of our Company (non-salary related)**

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuation, ex-gratia/rewards.

**Changes in the Key managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last three year except as stated below:

| Sr. No. | Name               | Designation                            | Date of Appointment/ Cessation/Promotion/ Transfer | Reasons               |
|---------|--------------------|--|--|-----------------------|
| 1.      | Mr. Parveen Gupta  | Chairman and Managing Director         | July 22, 2017                                      | Change in designation |
| 2.      | Mr. Sachin Gupta   | Whole Time Director                    | July 22, 2017                                      | Change in designation |
| 3.      | Mr. Rajesh Gupta   | Whole Time Director                    | July 22, 2017                                      | Change in designation |
| 4.      | Mrs. Saroj Gupta   | Whole Time Director                    | July 22, 2017                                      | Change in designation |
| 5.      | Mr. Rohin Gupta    | Whole Time Director                    | July 22, 2017                                      | Appointment           |
| 6.      | Mr. Vijay Rana     | Chief Financial Officer                | July 06, 2017                                      | Appointment           |
| 7.      | Mr. Vikas Aggarwal | Company Secretary & Compliance Officer | December 12, 2014                                  | Appointment           |
| 8.      | Mr. Vikas Aggarwal | Company Secretary & Compliance Officer | November 01, 2014                                  | Resignation           |





### **INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY**

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company, other than as mentioned below:

| <b>Sr. No.</b> | <b>Director</b>   | <b>Interest</b>  |
|----------------|-------------------|--|
| 1.             | Mr. Parveen Gupta | Personal Guarantee of Mr. Parveen Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Parveen Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited. |
| 2.             | Mr. Rajesh Gupta  | Personal Guarantee of Mr. Rajesh Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Rajesh Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.   |
| 3.             | Mr. Sachin Gupta  | Personal Guarantee of Mr. Sachin Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Sachin Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.  |
| 4.             | Mrs. Saroj Gupta  | Personal Guarantee of Mrs. Saroj Gupta and her relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.   |

Except as provided in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “*Annexure R Statement of Related Party Transaction*” on page 194 and Personal Guarantee towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” on page 226 of the Prospectus.

### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Prospectus, there are no other benefits payable to our Key Managerial Personnel.

### **EMPLOYEES**

The details about our employees appear under the Paragraph titled “Human Resource” in Chapter titled “*Our Business*” beginning on page 106 of this Prospectus.






## OUR PROMOTERS AND PROMOTER GROUP


### OUR PROMOTER

Our Company is promoted by Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta. As on the date of this Prospectus, our Promoters hold 65,53,068 Equity Shares which in aggregate, constitutes 35.43 % of the issued and paid-up Equity Share capital of our Company.

**Brief profile of our promoters is as follows:-**

| <b>Mr. Parveen Gupta – Chairman &amp; Managing Director</b>                        |  |  |
|--|--|--|
|  | <b>Qualification</b>   | Higher Secondary   |
|  | <b>Age</b>   | 59 Years   |
|  | <b>Address</b>   | H.No-179, Hargobind Enclave, Delhi 110092 India  |
|  | <b>Experience</b>  | 25 Years   |
|  | <b>Occupation</b>  | Business   |
|  | <b>Permanent Account Number</b>  | ACAPG7884N   |
|  | <b>Passport Number</b>   | L5155304   |
|  | <b>Name of Bank &amp; Bank Account Details</b>                                 | Kotak Mahindra Bank Limited, Preet Vihar, New Delhi<br>Account No – 01830120022491   |
|  | <b>Driving License Number</b>  | DL-1319970006091   |
|  | <b>Voter Identification Card Number</b>  | TLE0346403   |
|  | <b>Aadhar Card Number</b>  | 683851268951   |
|  | <b>No. of Equity Shares held in SISL &amp; [% of Shareholding (Pre issue)]</b> | 18,33,200 Equity Shares; 9.91% of Pre-Issue Paid up capital  |
|  | <b>DIN</b>   | 00013926   |
|  | <b>Other Interests</b>   | <p><b>Directorships in other Companies:</b></p> <ul style="list-style-type: none"> <li>• Anmol Financial Services Limited.</li> <li>• Windpipe Finvest Private Limited.</li> <li>• Ever-Style Services Private Limited</li> <li>• Ananya Infraventures Private Limited</li> </ul> <p><b>LLP:</b></p> <ul style="list-style-type: none"> <li>• Skyveil Trade Solutions LLP</li> </ul> <p><b>Partnership Firms:</b></p> <ul style="list-style-type: none"> <li>• Aggarwal Finance Company</li> </ul> <p><b>Proprietorship:</b> Nil</p> <p><b>HUF:</b></p> <ul style="list-style-type: none"> <li>• Parveen Gupta HUF (as Karta)</li> </ul> <p><b>Trust:-</b> Nil</p> |
|  | <b>Mr. Sachin Gupta – Whole- Time Director</b>                                 |  |
|  | <b>Qualification</b>   | B.Com  |
|  | <b>Age</b>   | 37 Years   |
|  | <b>Address</b>   | 306, Jagriti Enclave , Delhi-110092  |
|  | <b>Experience</b>  | 14 years   |
|  | <b>Occupation</b>  | Business   |
|  | <b>Permanent Account Number</b>  | AEMPG2079R   |
|  | <b>Passport Number</b>   | J7481886   |
|  | <b>Name of Bank &amp; Bank Account Details</b>                                 | Kotak Mahindra Bank Limited, Preet Vihar, New Delhi Account No – 01830120023015  |
|  | <b>Driving License Number</b>  | P07092005351366  |
|  | <b>Voter Identification Card Number</b>  | DCV1071703   |

|   |  |  |
|---|--|--|
|    | <b>Aadhar Card Number</b>  | 992156107019   |
|   | <b>No. of Equity Shares held in SISL &amp; [% of Shareholding (Pre issue)]</b> | 11,63,200 Equity Shares; 6.29 % of Pre-Issue Paid up capital   |
|   | <b>DIN</b>   | 00006070   |
|   | <b>Other Interests</b>   | <p><b>Directorships in other Companies:</b></p> <ul style="list-style-type: none"> <li>Share India Commodity Brokers Pvt. Ltd.</li> <li>Share India Finvest Pvt. Ltd.</li> <li>Share India Securities (IFSC) Pvt. Ltd.</li> </ul> <p><b>LLP:</b> Nil</p> <p><b>Partnership Firms:</b></p> <ul style="list-style-type: none"> <li>Aggarwal Finance Company</li> </ul> <p><b>Proprietorship:</b> Nil</p> <p><b>HUF:</b></p> <ul style="list-style-type: none"> <li>Sachin Gupta HUF (as Karta)</li> <li>Yash pal HUF (as Member)</li> </ul> <p><b>Trust:</b> Nil</p>   |
|   | <b>Mr. Rajesh Gupta –Whole Time Director</b>                                   |  |
|  | <b>Qualification</b>   | LLB  |
|   | <b>Age</b>   | 54 Years   |
|   | <b>Address</b>   | 25, Hargovind Enclave, Shakarpur, East Delhi - 110092 India  |
|   | <b>Experience</b>  | 20 Years   |
|   | <b>Occupation</b>  | Business   |
|   | <b>Permanent Account Number</b>  | AAGPG1933N   |
|   | <b>Passport Number</b>   | N6605559   |
|   | <b>Name of Bank &amp; Bank Account Details</b>                                 | Kotak Mahindra Bank Limited, Preet Vihar, New Delhi Account No - 01830120022433  |
|   | <b>Driving License Number</b>  | DL-1319910172922   |
|   | <b>Voter Identification Card Number</b>  | TLE0346429   |
|   | <b>Aadhar Card Number</b>  | 222074962102   |
|   | <b>No. of Equity Shares held in SISL &amp; [% of Shareholding (Pre issue)]</b> | 19,86,068 Equity Shares; 10.74 % of Pre-Issue Paid up capital  |
|   | <b>DIN</b>   | 00006056   |
|   | <b>Other Interests</b>   | <p><b>Directorships in other Companies:</b></p> <ul style="list-style-type: none"> <li>Share India Commodity Brokers Private Limited</li> <li>Anmol Financial Services Limited.</li> <li>Windpipe Finvest Private Limited.</li> <li>Ever-Style Services Private Limited</li> <li>N.R. Merchants Private Limited</li> <li>Share India Securities (IFSC) Private Limited</li> </ul> <p><b>LLP:</b> Nil</p> <p><b>Partnership Firms:</b></p> <ul style="list-style-type: none"> <li>Aggarwal Finance Company</li> </ul> <p><b>Proprietorship:</b> Nil</p> <p><b>HUF:</b></p> <ul style="list-style-type: none"> <li>Rajesh Kumar Gupta HUF (as Karta)</li> </ul> <p><b>Trust:</b> Nil</p> |

| <b>Mr. Yash Pal Gupta –Non-Executive Director</b>                                 |  |   |
|---|--|---|
|  | <b>Qualification</b>   | B.A.  |
|   | <b>Age</b>   | 62 Years  |
|   | <b>Address</b>   | 306, Jagriti Enclave Delhi 110092 India   |
|   | <b>Experience</b>  | 20Years   |
|   | <b>Occupation</b>  | Business  |
|   | <b>Permanent Account Number</b>  | AABPY3801C  |
|   | <b>Passport Number</b>   | L5836067  |
|   | <b>Name of Bank &amp; Bank Account Details</b>                                 | Kotak Mahindra Bank Limited, Preet Vihar, New Delhi Account No – 01830120022946   |
|   | <b>Driving License Number</b>  | DL-1319940056564  |
|   | <b>Voter Identification Card Number</b>  | DCV1071687  |
|   | <b>Aadhar Card Number</b>  | 316787390024  |
|   | <b>No. of Equity Shares held in SISL &amp; [% of Shareholding (Pre issue)]</b> | 15,70,600 Equity Shares; 8.49 % of Pre-Issue Paid up capital  |
|   | <b>DIN</b>   | 00013872  |
|   | <b>Other Interests</b>   | <p><b>Directorships in other Companies:</b></p> <ul style="list-style-type: none"> <li>• Anmol Financial Services Limited.</li> <li>• Windpipe Finvest Private Limited.</li> <li>• Algowire Systems Private Limited</li> </ul> <p><b>LLP:</b></p> <ul style="list-style-type: none"> <li>• Skyveil Trade Solutions LLP</li> </ul> <p><b>Partnership Firms:</b></p> <ul style="list-style-type: none"> <li>• Aggarwal Finance Company</li> </ul> <p><b>Proprietorship:</b> Nil</p> <p><b>HUF:</b></p> <ul style="list-style-type: none"> <li>• Yash Pal HUF (as Karta)</li> </ul> <p><b>Trust:</b> Nil</p> |

#### Confirmations/Declarations

We confirm that the Permanent Account Number, Aadhaar Card Number, Bank Account Number and Passport Number (as available) have been submitted to SME Platform of BSE at the time of filing of the Prospectus.

#### Undertaking/ Confirmations

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been

- (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- (ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoter, the relatives of our Promoter (as defined under the Companies Act, 2013) nor our Group Company/entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoter, Promoter Group Entities or the Group Company has become sick Company under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their name. Further no winding up proceedings have been initiated against the Promoter or the Group Company.



## **Common Pursuits**

Our Promoter Group companies Skyveil Trade Solutions LLP, Share India Securities (IFSC) Private Limited, Share India Commodity Brokers Private Limited are engaged in the similar line of business as our Company as on date of this Prospectus. For further details of our Promoter Group refer to Section titled “*Our Promoter & Our Promoter Group*” & “*Group Companies*” on page 152 & 159 of the Prospectus.

Further, we cannot assure that our Promoter/ Promoter Group or Group Company will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please refer section titled “*Risk Factors*” on page 14 of the Prospectus.

For details of our Promoter Group and Group Company please refer to section titled “*Our Promoter and Promoter Group*” and “*Our Group Companies*” beginning on page 152 and 159 respectively of this Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Our Promoters, Mr. Rajesh Gupta and Mr. Sachin Gupta are also on the Board of our Subsidiary Companies. For details of their directorships in Subsidiary Companies, please refer chapter titled “*Our Subsidiary and Associate Company*” beginning on page 170 of this Prospectus.

## **Interest of our Promoters**

### ***1. Interest in promotion of our Company***

Our promoter, as stated herein before, are interested to the extent they have promoted our Company and to the extent of their shareholding in our Company and dividend payable thereon and to the extent of their relative’s shareholding in our Company. Our Promoters namely Mr. Rajesh Gupta, Parveen Gupta and Mr. Sachin Gupta are also the Executive Director of our Company and may also be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan given by them to our Company.

For details, please refer to Annexure R on “*Related Party Transactions*” on page 194 forming part of “*Financial Information of the Company*” of this Prospectus.

### ***2. Interest in the property of Our Company***

Except as mentioned hereunder, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of the Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

- The registered office of the Company situated at 6th Milestone, New Bhai Chara Complex, Opp. Mata Mandir, Chikambarpur, Sahibabad, Ghaziabad, Uttar Pradesh-201006 have been taken on rent from our Promoter Mr. Yash Pal Gupta vide rent agreement dated July 01, 2017 for a period of 11 months ending on May31, 2018 at a lease rent of Rs 5000 per month
- The Corporate office of the Company situated at 14, Dayanand Vihar, Delhi-110092 have been taken on rent from our Promoters Mr. Yash Pal Gupta, Mr. Praveen Gupta and Mr. Rajesh Gupta vide rent agreement dated November 21, 2016 for a period of 11 months ending on August 31, 2017 at a lease rent of Rs 2,25,000 per month

### ***3. Interest as members of the Company***

Our Promoters are interested to the extent of their shareholding and the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer to “*Capital Structure*” on page 57 of this Prospectus.

#### ***i. Other interests***



Our Promoters, Mr. Rajesh Gupta, Mr. Sachin Gupta, Mr. Yash Pal Gupta and Mr. Parveen Gupta are interested to the extent of their shareholding and shareholding of their relatives in our Company. Further our Promoters, Mr. Rajesh Gupta, Mr. Sachin Gupta, Mr. Yash Pal Gupta and Mr. Parveen Gupta are relatives of each other.

For transactions in respect of loans and other monetary transactions entered in past please refer “**Annexure R**” on “**Related Party Transactions**” on page 194, forming part of “**Financial Information of the Company**” of the Prospectus.

Further, Our Promoters, Mr. Rajesh Gupta, Mr. Sachin Gupta, Mr. Yash Pal Gupta and Mr. Parveen Gupta may be interested in the credit facilities sanctioned, in favour of our Company, the details of which are:

| Sr. No. | Director           | Interest   |
|---------|--------------------|--|
| 1.      | Mr. Yash Pal Gupta | Personal Guarantee of Mr. Yash Pal Gupta against the total borrowings of ₹5000 Lakhs made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹5000 Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Yash Pal Gupta and his relatives has extended personal guarantee against the total borrowings of ₹2948 Lakhs made by our Company from ICICI Bank Limited and provided the security of his property situated at Pt No. 306, Jagriti Enclave, New Delhi – 110092 against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited. |
| 2.      | Mr. Parveen Gupta  | Personal Guarantee of Mr. Parveen Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Parveen Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Lakhs made by our Company from ICICI Bank Limited.   |
| 3.      | Mr. Rajesh Gupta   | Personal Guarantee of Mr. Rajesh Gupta against the total borrowings of ₹5000 Laths made by our Company from HDFC Bank Limited and provided the security of his property situated at 14, Dayanand Vihar, Delhi – 110092 against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Rajesh Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Laths made by our Company from ICICI Bank Limited.  |
| 4.      | Mr. Sachin Gupta   | Personal Guarantee of Mr. Sachin Gupta against the total borrowings of ₹5000Lakhs made by our Company from HDFC Bank Limited.<br>Personal Guarantee of Mr. Sachin Gupta and his relatives has extended personal guarantee against the total borrowings of ₹ 2948 Laths made by our Company from ICICI Bank Limited.  |

For more details of Personal Guarantee given by our promoter towards Financial facilities of our Company please refer to “**Statement of Financial Indebtedness**” on page 226 respectively of this Prospectus.

#### Experience of Promoters in the line of business

Our Promoters, Mr. Rajesh Gupta, Mr. Yash Pal Gupta, Mr. Sachin Gupta and Mr. Parveen Gupta are having vast experience in the field of Financing, management of stock and commodity broking businesses. The company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

For further details in this regard, please refer to “**Our Management**” on page 136 of this Prospectus.

#### Related Party Transactions

For the transactions with our Promoters, Promoter Group members and Promoter Group Companies, please refer to section titled “**Annexure - R**” of “**Related Party Transactions**” on page 194 of this Prospectus.

#### Nature of family relationship between our Promoters:



The Promoters of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

| Sr. No. | Name of the Promoter | Relationship with other Promoters  |
|---------|----------------------|--|
| 1.      | Mr. Rajesh Gupta     | Brother of Mr. Parveen Gupta and Mr. Yash Pal Gupta                              |
| 2.      | Mr. Sachin Gupta     | Son of Mr. Yash Pal Gupta  |
| 3.      | Mr. Yash Pal Gupta   | Brother of Mr. Parveen Gupta and Mr. Rajesh Gupta and Father of Mr. Sachin Gupta |
| 4.      | Mr. Parveen Gupta    | Brother of Mr. Yash Pal Gupta and Mr. Rajesh Gupta                               |

#### Payment or Benefit to Promoter of our Company

For details of payments or benefits paid to our Promoter, please refer to the paragraph “*Compensation of our Managing Director and Whole - time Directors*” in the chapter titled “*Our Management*” beginning on page 140 of this Prospectus. Also refer “*Annexure R on Related Party Transactions*” on page 194 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoters*” on page 155 of this Prospectus.

#### Companies / Firms from which the Promoters have disassociated themselves in the last (3) three years

Except as mentioned below our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus:-

| Name of Promoter | Name of Company                   | Reason for Disassociation   |
|------------------|-----------------------------------|---|
| Sachin Gupta     | Angel Ultrahomes Private Limited  | Resignation from directorship by Mr. Sachin Gupta due to preoccupation from this company dated January 16, 2015 |
|                  | Algowires Systems Private Limited | Resignation from directorship by Mr. Sachin Gupta due to preoccupation from this company dated March 21, 2016   |

#### Other ventures of our Promoters

Save and except as disclosed in this section titled “*Our Promoters and Promoter Group*” and “*Our Group Companies*” beginning on page 152 & 159 respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Prospectus.

#### Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 241 of this Prospectus.

#### OUR PROMOTER GROUP

As per Regulation 2(1) (zb) (ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

| Relationship | Mr. Rajesh Gupta | Mr. Parveen Gupta | Mr. Sachin Gupta | Mr. Yash Pal Gupta   |
|--------------|------------------|-------------------|------------------|----------------------|
| Father       | Lt. Gopal Dass   | Lt. Gopal Dass    | Yash Pal Gupta   | Lt. Gopal Dass Gupta |
| Mother       | Subash Rani      | Subash Rani       | Saroj Gupta      | Subash Rani          |
| Spouse       | Rekha Gupta      | Suman Gupta       | Tripti Gupta     | Saroj Gupta          |
| Brother      | Parveen Gupta    | Rajesh Gupta      | -                | Rajesh Gupta         |
|              | Yash Pal Gupta   | Yash Pal Gupta    |                  | Parveen Gupta        |
| Sister       | Neelam Jindal    | Neelam Jindal     | Sukriti Gupta    | Neelam Jindal        |
| Son          | Rachit Gupta     | Saurabh Gupta     | -                | Sachin Gupta         |
|              | Agam Gupta       | Rohin Gupta       |                  |                      |
| Daughter     | -                | -                 | Ms. Aarna Gupta  | Sukriti Gupta        |
|              |                  |                   | Ms. Arika Gupta  |                      |
| Spouse's     | Devraj Goyal     | Vijay Kumar Gupta | Dinesh Kumar     | Harbans Mittal       |





|                         |                |                 |                  |                           |
|-------------------------|----------------|-----------------|------------------|---------------------------|
| <b>Father</b>           |                |                 | Gupta            |                           |
| <b>Spouse's Mother</b>  | Asha Rani      | Lt. Kamla Gupta | Meera Gupta      | Lt. Bhagwan Dulari Mittal |
| <b>Spouse's Brother</b> | Amit Goel      | Ramesh Garg     | Abhinav Gupta    | Narendar Mittal           |
|                         |                | Vinod Garg      |                  |                           |
|                         |                | Rajkumar        |                  |                           |
| <b>Spouse's Sister</b>  | Ravi Jain      | Meenakshi       | Sheetal Aggarwal | Sunita Garg               |
|                         | Neeru Aggarwal |                 |                  |                           |
|                         | Richa Goel     | Kiran Aggarwal  | Neetu Gupta      |                           |
|                         | Vandana Gupta  |                 |                  |                           |

**Our Promoter Group as defined under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations, 2009 includes following entities:**

For Individual Promoters as defined under Regulation 2(1) (zb) (iv) of the SEBI (ICDR) Regulations, 2009:-

| Sr. No | Nature of Relationship   | Entity  |
|--------|--|---|
| 1.     | Any Body corporate in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member | 1. Share India Commodity Brokers Private Limited<br>2. AlgoTrade Securities Private Limited<br>3. Anmol Financial Services Limited<br>4. AlgoWire Trading Technologies Private Limited<br>5. Windpipe Finvest Private Limited<br>6. Ananya Infraventures Private Limited<br>7. Ever-Style Services Private Limited<br>8. Modtech Infraventures Private Limited<br>9. Algowire Systems Private Limited |
| 2.     | Any company in which a company mentioned in (1) above, holds 10% or more, of the equity share capital  | 1. Tadqa Services Private Limited<br>2. Ever-Style Services Private Limited   |
| 3.     | Any HUF or Trust or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total  | <b>LLP:-</b> Sky-veil Trade Solutions LLP<br><b>Proprietorship:-</b> NIL<br><b>Firm:-</b> Aggarwal Finance Company<br><b>HUF:-</b><br>Rajesh Kumar Gupta HUF<br>Parveen Gupta HUF<br>Yash Pal HUF<br>Sachin Gupta HUF<br><b>Trust:-</b> Nil   |

#### **OTHER PERSONS INCLUDED IN PROMOTER GROUP:**

Mrs. Purna Gupta is not relative within the meaning of regulation 2(1) (zb) of ICDR Regulations but is considered for the purpose of shareholding of the Promoter Group under Regulation 2(1) (zb) (v) of ICDR Regulations.





### OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, 2009 for the purpose of identification of Group Companies, our Company has considered companies covered under the Accounting Standard 18 (including Associate Companies) as per Restated Financial Statements. Further, pursuant to a resolution of our Board dated July 06, 2017 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 5% of total revenue of the company as per Restated Financial Statements. Following entities are identified as Group Companies of our Company (excluding our Subsidiary and Associate Companies):-

1. AlgoWire Trading Technologies Private Limited
2. Windpipe Finvest Private Limited
3. Skyveil Trade Solutions LLP
4. Anmol Financial Services Limited

The details of our Group Companies are provided below:

#### AlgoWire Trading Technologies Private Limited

|  |   |                       |                       |
|--|---|-----------------------|-----------------------|
| <b>Brief Description of Business</b>                       | To carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking of all computer software and solutions to be used in relation to algorithmic trading, to operate Data and information processing centre and Educational Bureaus and imparting training and education in data processing, to conduct trading of securities of all kind and commodities of all kind in spot market, in future and all kinds of derivatives of all the above mentioned securities and commodities. |                       |                       |
| <b>Date of Incorporation</b>                               | May 11, 2012  |                       |                       |
| <b>CIN</b>   | U72200UP2012PTC073455   |                       |                       |
| <b>PAN</b>   | AAKCA5485E  |                       |                       |
| <b>Registered Office Address</b>                           | Office No. 138, Tower A, Corethum Tower A 41, Sector 62 Noida Gautam Buddha Nagar Uttar Pradesh - 201301 India  |                       |                       |
| <b>Board of Directors*</b>                                 | <b>Name</b>   | <b>DIN</b>            |                       |
|  | Rachit Gupta  | 05326987              |                       |
|  | Bhavya Arnav  | 02796939              |                       |
|  | <i>(Rs. in Lacs, rounded off except per share data)</i>   |                       |                       |
| <b>Audited Financial Information</b>                       | <b>For The Year Ended</b>   |                       |                       |
|  | <b>March 31, 2016</b>   | <b>March 31, 2015</b> | <b>March 31, 2014</b> |
| <b>Paid Up Equity Share Capital</b>                        | 3.00  | 3.00                  | 3.00                  |
| <b>Reserves and Surplus</b>                                | 163.31  | 27.19                 | 13.92                 |
| <b>Net worth</b>   | 166.31  | 30.19                 | 16.92                 |
| <b>Income including other income and exceptional items</b> | 370.32  | 121.87                | 93.35                 |
| <b>Profit/ (Loss) after tax</b>                            | 136.12  | 13.28                 | 13.92                 |
| <b>Earnings per share (face value of Rs. 10 each)</b>      | 453.72  | 44.25                 | 46.39                 |
| <b>Net asset value per share (Rs)</b>                      | 554.37  | 100.63                | 56.39                 |

\*As on date of Prospectus

Shareholding Pattern as on the date of this Prospectus is as follows:

| <b>Name of the Equity Shareholder</b> | <b>No. of Shares held</b> | <b>% age of Shareholding</b> |
|---------------------------------------|---------------------------|------------------------------|
| Bhavya Arnav                          | 15000                     | 50.00                        |
| Prerna Gupta                          | 5000                      | 16.67                        |
| Agam Gupta                            | 5000                      | 16.67                        |
| Tripti Gupta                          | 5000                      | 16.66                        |



|              |              |               |
|--------------|--------------|---------------|
| <b>TOTAL</b> | <b>30000</b> | <b>100.00</b> |
|--------------|--------------|---------------|

#### Nature and extent of interest of our Promoter

The relatives of our promoters holds 50% of the equity share capital of AlgoWire Trading Technologies Private Limited. AlgoWire Trading Technologies Private Limited is an unlisted private limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of Bankruptcy code nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

#### Windpipe Finvest Private Limited

|  |   |                       |                       |
|--|---|-----------------------|-----------------------|
| <b>Brief Description of Business</b>                       | To carry on and undertake the business of financing, hire, purchase and to finance operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery, all kinds of vehicles, all kinds of equipments, land, buildings, plots all other consumer and industrial products.<br>To lend money, either with or without security to such person and upon such terms and conditions as the company may deem fit and also to invest and deal with the moneys of the company, not immediately required in or upon such investments and in such manner as may be determined not being investment in company's own shares provided that the company shall not carry on the main business of banking as defined in the Banking Regulation, Act 1949. |                       |                       |
| <b>Date of Incorporation</b>                               | December 24, 1996   |                       |                       |
| <b>CIN</b>   | U65921DL1996PTC084042   |                       |                       |
| <b>PAN</b>   | AAACW1156G  |                       |                       |
| <b>Registered Office Address</b>                           | 14, Dayanand Vihar, Backside Ground Floor, Vikas Marg Ext. Delhi 110092 India   |                       |                       |
| <b>Board of Directors*</b>                                 | <b>Name</b>   | <b>DIN</b>            |                       |
|  | Rajesh Gupta  | 00006056              |                       |
|  | Yash Pal Gupta  | 00013872              |                       |
|  | Parveen Gupta   | 00013926              |                       |
|  | <i>(Rs. in Lacs, rounded off except per share data)</i>   |                       |                       |
| <b>Audited Financial Information</b>                       | <b>For The Year Ended</b>   |                       |                       |
|  | <b>March 31, 2016</b>   | <b>March 31, 2015</b> | <b>March 31, 2014</b> |
| <b>Paid Up Equity Share Capital</b>                        | 166.53  | 166.53                | 166.53                |
| <b>Reserves and Surplus</b>                                | 286.26  | 235.71                | 211.71                |
| <b>Net worth</b>   | 452.79  | 402.24                | 378.24                |
| <b>Income including other income and exceptional items</b> | 230.77  | 218.13                | 184.34                |
| <b>Profit/ (Loss) after tax</b>                            | 50.55   | 24.00                 | 12.98                 |
| <b>Earnings per share (face value of Rs. 10 each)</b>      | 3.04  | 1.44                  | 0.78                  |
| <b>Net asset value per share (Rs)</b>                      | 27.19   | 24.15                 | 22.71                 |

\*As on date of Prospectus

Shareholding Pattern as on the date of this Prospectus is as follows:

| Name of the Equity Shareholder | No. of Shares held | % age of Shareholding |
|--------------------------------|--------------------|-----------------------|
| Parveen Gupta                  | 131590             | 7.90                  |
| Rajesh Kumar                   | 164435             | 9.87                  |
| Yash Pal Gupta                 | 173065             | 10.39                 |
| Subhash Rani                   | 79550              | 4.78                  |
| Sushmita                       | 250                | 0.02                  |

**Share India Securities Limited**

|                      |                |               |
|----------------------|----------------|---------------|
| Parveen Gupta -HUF   | 82200          | 4.94          |
| Rajesh Kumar HUF     | 62600          | 3.76          |
| Suman Gupta          | 60400          | 3.63          |
| Saurabh Gupta        | 35850          | 2.15          |
| Sachin Gupta         | 88800          | 5.33          |
| Saroj Gupta          | 76500          | 4.59          |
| Rekha Gupta          | 71700          | 4.31          |
| Sukriti Gupta        | 10000          | 0.60          |
| Yash Pal Gupta-HUF   | 87950          | 5.28          |
| Neelam               | 500            | 0.03          |
| Rachit Gupta         | 49300          | 2.96          |
| Tripti Gupta         | 53050          | 3.19          |
| Rachit Gupta HUF     | 41650          | 2.50          |
| Agam Gupta           | 47650          | 2.86          |
| Prachi Gupta         | 46600          | 2.80          |
| Saurabh Gupta HUF    | 45400          | 2.73          |
| Rohin Gupta          | 40100          | 2.41          |
| Rohin Gupta HUF      | 26200          | 1.57          |
| Prerna Gupta         | 24800          | 1.49          |
| Sonam Gupta          | 37600          | 2.26          |
| Sachin Gupta HUF     | 62200          | 3.73          |
| Gopal Dass Gupta HUF | 65150          | 3.91          |
| Amrit Kaur           | 250            | 0.02          |
| <b>TOTAL</b>         | <b>1665340</b> | <b>100.00</b> |

**Nature and extent of interest of our Promoter**

The promoters of our company are the Directors of Windpipe Finvest Private Limited. Further, our promoters may be deemed to be interested to the extent of their shareholding and the shareholding of their relatives. Windpipe Finvest Private Limited is an unlisted private limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**Skyveil Trade Solutions LLP**

|                                      |  |            |
|--------------------------------------|--|------------|
| <b>Brief Description of Business</b> | To trade & deal in shares, stocks, derivatives future, mutual funds etc. and to act as franchisee, To carry on the business of stock and share, to act as franchisee of derivatives, index<br>Products including interest derivatives, To acquires, hold and deal in investment, shares, stocks, derivatives and index products, debenture, bonds or securities. |            |
| <b>Date of Incorporation</b>         | January 17, 2017   |            |
| <b>LLP Identification Number</b>     | AAI-2900   |            |
| <b>PAN</b>                           | ADGFS0224B   |            |
| <b>Registered Office Address</b>     | 518, 5th Floor, Ocean Complex Sector-18, Noida Gautam Buddha Nagar Uttar Pradesh - 201301 India  |            |
| <b>Designated Partners*</b>          | <b>Name</b>  | <b>DIN</b> |
|                                      | Parveen Gupta  | 00013926   |
|                                      | Bhavya Arnav   | 02796939   |

\*As on date of Prospectus

**Share in Partnership as on the date of the Prospectus is as follows:**

| Sr. No. | Name of the Designated Partner | Capital (in %) |
|---------|--------------------------------|----------------|
| 1.      | Parveen Gupta                  | 8.60           |



|    |                |       |
|----|----------------|-------|
| 2. | Bhavya Arnav   | 50.00 |
| 3. | Yash Pal Gupta | 10.70 |
| 4. | Tripti Gupta   | 6.00  |
| 5. | Prachi Gupta   | 8.00  |
| 6. | Agam Gupta     | 8.70  |
| 7. | Sonam Gupta    | 8.00  |

#### Nature and extent of interest of our Promoter

Our Promoters along with their relatives hold 50% share in LLP and are interested to the extent of their Profit Sharing ratio. Also our Promoter, Mr. Parveen Gupta is a designated partner of the LLP

Further Skyveil Trade Solutions LLP does not have a negative net-worth in the immediately preceding year. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the LLP.

#### Anmol Financial Services Limited

|  |  |                       |                       |
|--|--|-----------------------|-----------------------|
| <b>Brief Description of Business</b>                       | To provide commercial vehicle loans and meeting the needs of short term finances of customers. |                       |                       |
| <b>Date of Incorporation</b>                               | August 11, 1995  |                       |                       |
| <b>CIN</b>   | U74899DL1995PLC071602  |                       |                       |
| <b>PAN</b>   | AAACA6640B   |                       |                       |
| <b>Registered Office Address</b>                           | 14, Dayanand Vihar, Backside Ground Floor, Vikas Marg Ext. Delhi - 110092 India                |                       |                       |
| <b>Board of Directors*</b>                                 | <b>Name</b>  | <b>DIN</b>            |                       |
|  | Rajesh Gupta   | 00006056              |                       |
|  | Yashpal Gupta  | 00013872              |                       |
|  | Parveen Gupta  | 00013926              |                       |
|  | <i>(Rs. in Lacs, rounded off except per share data)</i>  |                       |                       |
| <b>Audited Financial Information</b>                       | <b>For The Year Ended</b>  |                       |                       |
|  | <b>March 31, 2017</b>  | <b>March 31, 2016</b> | <b>March 31, 2015</b> |
| <b>Paid Up Equity Share Capital</b>                        | 580.16   | 580.16                | 573.27                |
| <b>Reserves and Surplus</b>                                | 1251.23  | 1177.25               | 1088.52               |
| <b>Net worth</b>   | 1831.39  | 1757.41               | 1661.79               |
| <b>Income including other income and exceptional items</b> | 409.71   | 374.21                | 333.64                |
| <b>Profit/ (Loss) after tax</b>                            | 73.98  | 75.63                 | 57.99                 |
| <b>Earnings per share (face value of Rs. 10 each)</b>      | 1.28   | 1.30                  | 1.01                  |
| <b>Net asset value per share (Rs)</b>                      | 31.57  | 30.29                 | 28.99                 |

\*As on date of Prospectus

Shareholding Pattern as on the date of this Prospectus is as follows:

| <b>Name of the Equity Shareholder</b> | <b>No. of Shares held</b> | <b>% age of Shareholding</b> |
|---------------------------------------|---------------------------|------------------------------|
| Rajesh Kumar                          | 329775                    | 5.75                         |
| Yash Pal Gupta                        | 673450                    | 11.75                        |
| Parveen Gupta                         | 216050                    | 3.77                         |
| Subhash Rani                          | 163375                    | 2.85                         |
| Rekha Gupta                           | 642497                    | 11.21                        |
| Suman Gupta                           | 621555                    | 10.84                        |
| Saroj Gupta                           | 645125                    | 11.25                        |
| Saurabh Gupta                         | 379045                    | 6.61                         |
| Sachin Gupta                          | 117240                    | 2.05                         |
| Rajesh Kumar HUF                      | 577600                    | 10.08                        |
| Agam Gupta                            | 75820                     | 1.32                         |
| Rohin Gupta                           | 54040                     | 0.94                         |
| Parveen Gupta HUF                     | 361671                    | 6.31                         |



|                                       |                |      |
|---------------------------------------|----------------|------|
| Rachit Gupta                          | 83560          | 1.46 |
| Yash Pal HUF                          | 146400         | 2.55 |
| Share India Commodity Brokers P. Ltd. | 108750         | 1.90 |
| Sachin Gupta HUF                      | 159750         | 2.79 |
| Rachit Gupta HUF                      | 61550          | 1.07 |
| Prachi Gupta                          | 62850          | 1.10 |
| Saurabh Gupta HUF                     | 44400          | 0.77 |
| Rohin Gupta HUF                       | 48750          | 0.85 |
| Prerna Gupta                          | 41950          | 0.73 |
| Sonam Gupta                           | 61914          | 1.08 |
| Tripti Gupta                          | 70500          | 1.23 |
| Gopal Dass Gupta HUF                  | 54008          | 0.94 |
| <b>Total</b>                          | <b>5801625</b> |      |

**Nature and extent of interest of our Promoter**

The promoters of our company and the promoter group members hold the entire equity share capital of Anmol Financial Services Limited. Also our Promoter, Mr. Parveen Gupta, Mr. Rajesh Gupta and Mr. Yashpal Gupta are Director of Anmol Financial Services Limited. Anmol Financial Services Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of Bankruptcy code nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**Loss Making Company**

The group companies determined by our Board are not loss making Companies.

**Negative Net-worth Company**

The group companies determined by our Board do not have a Negative Net-worth.

**Litigations**

For details on litigations and disputes pending against the Group Companies/entities, if any, please refer to the section titled ***“Outstanding Litigations and Material Developments”*** on page 241 of this Prospectus.

**Undertaking / confirmations**

None of our Promoters or Promoter Group or Group Companies or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters or persons in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies /entities have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group or the Group Companies have become sick Companies and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Companies.

### **Nature and Extent of Interest of Group Companies**

a) **In the promotion of our Company :**

None of our Group Company has any interest in the promotion of our Company. For details relating to shareholding or any other business interest, please refer to chapter titled “*Capital Structure*” on page 57 and “*Financial Information of the Company*” - *Annexure R- Related party Transactions* on page 194 of this Prospectus.

b) **In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with stock exchange:**

Except as disclosed in this Prospectus, our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Prospectus with Stock Exchange.

c) **In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery

### **Common Pursuits/Conflict of Interest**

Except for as disclosed in this Prospectus, none of our Promoters/ Group Companies/ Entities have any common pursuits. For details please refer to chapter titled “*Our Promoters and Promoter Group*” on page 152 of this Prospectus.

As on the date of the Prospectus, we cannot assure that our Promoters, Promoter Group/Group Entities will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Related business transaction within the Group and their significance on the financial performance of the company:**

For details relating to the business transactions within the Group Companies and their significance on the financial performance of the Company see the chapter titled “*Financial Information of the Company – Annexure R - Related Party Transactions*” on page 194 of this Prospectus.

### **Sales / Purchase between our Company and Group Companies:**

For details relating to sales or purchases between our Company and any of our Group Companies exceeding 5% of the sales or purchases of our Company see the chapter titled “*Financial Information of the Company– Annexure R- Related Party Transactions*” on page 194 of this Prospectus.

### **Business Interests amongst our Company and Group Companies /Associate Companies**

Except as mentioned under Related Party Transactions, “*Annexure R*” beginning on page 194 under Chapter titled “*Financial Information of the Company*” there is no business interest among Group Companies.

### **Defunct /Struck-off Company**

None of our Promoter, Promoter Group and our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this Prospectus.



**Changes in Accounting Policies in the last three years**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “*Annexure IV*” under Chapter titled “*Financial Information of the Company*” beginning on page 171 of this Prospectus, there have been no changes in the accounting policies in the last three years.





### OUR SUBSIDIARY & ASSOCIATE COMPANY

As on date of this Prospectus, our Company has Two Subsidiary Companies and one Associate Company the details of the same are as below :-

1. Share India Finvest Private Limited (Wholly Owned Subsidiary)
2. Share India Securities (IFSC) Private Limited (Wholly Owned Subsidiary)
3. Share India Commodity Brokers Private Limited (Associate Company)

#### SUBSIDIARY COMPANY

##### 1. Share India Finvest Private Limited (Wholly Owned Subsidiary)

|  |   |            |
|--|---|------------|
| <b>Brief Description of Business</b>                       | To give any guarantee in relation to the payment of any debentures, debenture stock, bonds, obligation or securities and to lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, Subsidiary or fellow subsidiary of , or any other Company whether or not associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, Subsidiary or fellow subsidiary of , or any other Company whether or not associated in any way with, the Company) |            |
| <b>Date of Incorporation</b>                               | January 22, 2016  |            |
| <b>CIN</b>   | U65923UP2016PTC075987   |            |
| <b>PAN</b>   | AAWCS6811J  |            |
| <b>Registered Office Address</b>                           | 518, 5th Floor, Ocean Complex Sector-18, Noida Gautam Buddha Nagar Uttar Pradesh – 201301, India  |            |
| <b>Board of Directors*</b>                                 | <b>Name</b>   | <b>DIN</b> |
|  | Sachin Gupta  | 00006070   |
|  | Rachit Gupta  | 05326987   |
|  | <i>(Rs. in Lacs, rounded off except per share data)</i>   |            |
| <b>Audited Financial Information</b>                       | <b>For The Year Ended</b>   |            |
|  | <b>March 31, 2017</b>   |            |
| <b>Paid Up Equity Share Capital</b>                        | 9.99  |            |
| <b>Reserves and Surplus</b>                                | (3.23)  |            |
| <b>Net worth</b>   | 6.77  |            |
| <b>Income including other income and exceptional items</b> | 0.00  |            |
| <b>Profit/ (Loss) after tax</b>                            | (3.23)  |            |
| <b>Earnings per share (face value ₹ 10 each)</b>           | (3.23)  |            |
| <b>Net asset value per share (Rs)</b>                      | 6.76  |            |

\*As on date of Prospectus

Shareholding Pattern as on the date of this Prospectus is as follows:

| Name of the Equity Shareholder  | No. of Shares held | % age of Shareholding |
|---------------------------------|--------------------|-----------------------|
| Sachin Gupta                    | 1                  | 0.01                  |
| Share India Securities Limited. | 99999              | 99.99                 |
| <b>TOTAL</b>                    | <b>100,000</b>     | <b>100</b>            |



### Nature and extent of interest of our Promoter

Share India Finvest Private Limited is the wholly owned Subsidiary of Share India Securities Limited. Our Promoter and their relative are the Directors in Share India Finvest Private Limited. Share India Finvest Private Limited is an unlisted private limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### 2. Share India Securities (IFSC) Private Limited (Wholly Owned Subsidiary)

|  |   |            |
|--|---|------------|
| <b>Brief Description of Business</b>                       | To carry on the business as an intermediary as per the SEBI guidelines, 2015 in an IFSC (International Financial Service Centre), to trade or facilitate trading in any financial instrument available on any recognized stock exchange whose respective market regulator is a signatory to IOSCO's MMOU, to provide financial, advisory, portfolio management services and related services in International Financial Services Centre, Special Economic Zone situated in Gujarat and in Special Economic Zone in any other State(s) in India. |            |
| <b>Date of Incorporation</b>                               | December 07, 2016   |            |
| <b>CIN</b>   | U67100GJ2016PTC094617   |            |
| <b>PAN</b>   | AAXCS8983J  |            |
| <b>Registered Office Address</b>                           | Unit No. 36/3, GIFT Aspire - 1 Business Centre Ground Floor, Block 12, Road 1D, Zone 1 GIFT SEZ Gandhinagar Gujarat - 382355  |            |
| <b>Board of Directors*</b>                                 | <b>Name</b>   | <b>DIN</b> |
|  | Sachin Gupta  | 00006070   |
|  | Rajesh Gupta  | 00006056   |
|  | <i>(Rs. in Lacs, rounded off except per share data)</i>   |            |
| <b>Audited Financial Information</b>                       | <b>For The Year Ended</b>   |            |
|  | <b>March 31, 2017</b>   |            |
| <b>Paid Up Equity Share Capital</b>                        | 125.00  |            |
| <b>Reserves and Surplus</b>                                | (14.91)   |            |
| <b>Net worth</b>   | 110.09  |            |
| <b>Income including other income and exceptional items</b> | (4.99)  |            |
| <b>Profit/ (Loss) after tax</b>                            | (8.92)  |            |
| <b>Earnings per share (face value ₹ 10 each)</b>           | (0.71)  |            |
| <b>Net asset value per share (Rs)</b>                      | 8.81  |            |

\*As on date of Prospectus

### Shareholding Pattern as on the date of this Prospectus is as follows:

| <b>Name of the Equity Shareholder</b> | <b>No. of Shares held</b> | <b>% age of Shareholding</b> |
|---------------------------------------|---------------------------|------------------------------|
| Rajesh Gupta                          | 1                         | 0.01                         |
| Share India Securities Limited.       | 12,49,999                 | 99.99                        |
| <b>TOTAL</b>                          | <b>12,50,000</b>          | <b>100</b>                   |

### Nature and extent of interest of our Promoter

Share India Securities (IFSC) Private Limited is the wholly owned Subsidiary of Share India Securities Limited. Our Promoter are Directors in Share India Securities (IFSC) Private Limited. Share India Securities (IFSC) Private Limited is an unlisted private limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company nor is under winding up.



There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

## ASSOCIATE COMPANY

### 1. Share India Commodity Brokers Private Limited

|  |  |                       |                       |
|--|--|-----------------------|-----------------------|
| <b>Brief Description of Business</b>                       | To carry on the business of trading in agriculture products, metals, precious stones, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives, To carry on business as brokers, sub brokers, market makers, arbitrageurs, investors and/or hedgers in commodities, securities and derivatives mentioned above permitted under the laws of India, To become members and participate in trading, settlement and other activities of the commodity exchange/s facilitating, for itself or for clients, trades and clearing/settlement of trades in spots, in futures and in derivatives of all the above commodities permitted under the laws of India. |                       |                       |
| <b>Date of Incorporation</b>                               | October 27, 1993   |                       |                       |
| <b>CIN</b>   | U74210UP1993PTC051818  |                       |                       |
| <b>PAN</b>   | AADCR0497E   |                       |                       |
| <b>Registered Office Address</b>                           | 6th Milestone, New Bhai-Chara Complex Opp. Mata Mandir, Chikambarpur, Uttar Pradesh Border Sahibabad Uttar Pradesh-201006  |                       |                       |
| <b>Board of Directors*</b>                                 | <b>Name</b>  | <b>DIN</b>            |                       |
|  | Sachin Gupta   | 00006070              |                       |
|  | Rajesh Gupta   | 00006056              |                       |
|  | Mayank Saraf   | 05177101              |                       |
|  | <i>(Rs. in Lacs, rounded off except per share data)</i>  |                       |                       |
| <b>Audited Financial Information</b>                       | <b>For The Year Ended</b>  |                       |                       |
|  | <b>March 31, 2017</b>  | <b>March 31, 2016</b> | <b>March 31, 2015</b> |
| <b>Paid Up Equity Share Capital</b>                        | 134.70   | 134.70                | 134.70                |
| <b>Reserves and Surplus</b>                                | 142.79   | 137.85                | 127.89                |
| <b>Net worth</b>   | 277.49   | 272.55                | 262.59                |
| <b>Income including other income and exceptional items</b> | 37.28  | 69.13                 | 104.51                |
| <b>Profit/ (Loss) after tax</b>                            | 4.94   | 9.96                  | 12.13                 |
| <b>Earnings per share (face value ₹ 10 each)</b>           | 0.37   | 0.74                  | 0.90                  |
| <b>Net asset value per share (Rs)</b>                      | 20.60  | 20.23                 | 19.49                 |

\*As on date of Prospectus

Shareholding Pattern as on the date of this Prospectus is as follows:

| <b>Name of the Equity Shareholder</b> | <b>No. of Shares held</b> | <b>% age of Shareholding</b> |
|---------------------------------------|---------------------------|------------------------------|
| Sachin Gupta                          | 142,500                   | 10.58                        |
| Rajesh Gupta                          | 252,000                   | 18.71                        |
| Parveen Gupta                         | 192,500                   | 14.29                        |
| Saroj Gupta                           | 50,000                    | 3.71                         |
| Yash Pal Gupta                        | 110,000                   | 8.17                         |
| Suman Gupta                           | 50,000                    | 3.71                         |
| Rekha Gupta                           | 50,000                    | 3.71                         |
| Share India Securities Limited        | 500,000                   | 37.12                        |
| <b>TOTAL</b>                          | <b>13,47,000</b>          | <b>100</b>                   |

Nature and extent of interest of our Promoter



### **Share India Securities Limited**

Our Company holds 37.12 % of the Equity share capital of Share India Commodity Brokers Private Limited and the rest shares are held by the promoters of our company and their relatives.

Share India Commodity Brokers Private Limited is an unlisted private limited Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### **Loss Making Company**

Except for the companies mentioned below, there is no other Loss making Subsidiary or Associate Company.

- Share India Securities (IFSC) Private Limited
- Share India Finvest Private Limited

### **Negative Net-worth Company**

The Subsidiary or Associate Company does not have a Negative Net-worth.

### **Undertaking/Confirmations:**

- 1) Our Subsidiary or the Associate Company or person in control of our Company has not been
  - i. Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or any other authority or
  - ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- 2) There are no accumulated profits or losses of our Subsidiaries that are not accounted for by our Company.

### **Nature and Extent of Interest of our Subsidiary**

#### **(a) *In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Prospectus with Stock Exchange***

Except as disclosed in Prospectus, our Subsidiary or the Associate Company do not have any other interest in any property acquired or proposed to be acquired by our Company during the period of two years before filing of this Prospectus with Stock Exchange.

#### **(b) *Other Interests***

Our Subsidiary or the Associate Companies do not hold any equity shares in the Company. Further, except as stated in the Chapter titled “*Financial Information of Our Company*” in “*Annexure R: - Related Party Transactions*” of this Prospectus, our Subsidiary or the Associate Companies do not have any other interest in our Company’s business.

### **Common Pursuits:**

Our Subsidiary Company namely Share India Securities (IFSC) Private Limited and our associate company Share India Commodity Brokers Private Limited are engaged in the similar line of business as our Company as on the date of this Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the General meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past 5 years. Our Company's corporate actions pertaining to payment of dividends in the past cannot to be taken as being indicative of the payment of dividends by our Company in the future.



**SECTION V – FINANCIAL INFORMATION OF THE COMPANY**

**AUDITOR’S REPORT ON STANDALONE RESTATED FINANCIAL STATEMENT**

To,  
The Board of Directors,  
Share India Securities Limited,  
6th Milestone, New Bhai-Chara Complex, Opp Mata Mandir, Chikambarpur UP Border,  
Sahibabad, U.P-201006,

Dear Sirs,

**Report on Restated Financial Statement**

1. We have examined the attached Restated Statement of Assets and Liabilities of Share India Securities Limited as at 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013, the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the period ended on 31<sup>st</sup> 2017, and financial year ended on 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013 (collectively the “Restated Summary Statements” or Restated Financial Statements”). These Restated summary Statements have been prepared by the company and as approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on the SME Platform of BSE Limited (“BSE”).
  2. These Restated Summary Statements has been prepared in accordance with the requirements of:
    - i. Section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of companies Act, 2013, as amended (hereinafter referred to as the “Act”) and
    - ii. Item (IX) of Part (B) of schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, As amended (The “SEBI Regulation”) issued by the SEBI.
    - iii. The terms of reference to our engagements with the company requesting us to carry out the assignment, in connection with the Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (“IPO” of “SME IPO”): and
    - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“Guidance Note”).
    - v. In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, Narendra Sharma & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid Certificate No. 008466 dated 16.08.2015 issued by the “Peer Review Board” of the ICAI.
  3. The Restated Summary Statements and Financial information of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended on 31<sup>st</sup> March 2017 and financial year ended on 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013 which have been approved by the Board of Directors.
  4. Financial Statements for the period ended 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013 have been audited by Respectively M/s T.K. Gupta & Associates., and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. We have carried out the re-audit of the financial statement for the period ended 31<sup>st</sup> March 2017 as required by SEBI regulations.
- A. Financial Information as per Audited Financial Statements:
5. We have examined:
    - a. The attached Restated Statements of Assets and Liabilities of the company, as at 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013 (**Annexure I**);



- b. The attached Restated Statement of Profits and Losses of the company for the period ended on 31<sup>st</sup> March 2017, year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013, (Annexure II);
  - c. The attached Restated Statement of Cash Flows of the company for period ended on 31<sup>st</sup> March 2017 and year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013, (Annexure III);
  - d. The Significant Accounting Policies adopted by the company and notes to Restated Financial Statements along with adjustments on account of audit qualifications/ adjustments /regroupings.(Annexure IV);
6. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
- i. The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the company as at 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013 are prepared by the company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this report.
  - ii. The “Restated Statement of Profit and Loss” as set out in Annexure II to this report, of the company for the period ended on 31<sup>st</sup> 2017 and year ended on 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013, are prepared by the company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - iii. The “Restated Statement of Cash Flow “ as set out in Annexure III to this report, of the company for the period ended on 31<sup>st</sup> March 2017 & year ended on 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013 are prepared by the company and approved by the Board of Directors. This Statement of Cash flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by the Statutory Auditor of the Company for the period ended 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013. we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- (1) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all reporting periods.
  - a) Adjustments for any prior period material amounts in the respective financial years have been made to which they relate; and
  - b) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - c) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial Statements.
  - d) There are no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements” except for provision for Gratuity which has not been provided on the mercantile basis. These adjustments have been made retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods with consequential impact.
  - e) There is no revaluation reserve, which needed to be disclosed separately in the Restated Financial Statement in the respective financial years.





- f) The company has not paid any dividend on its equity shares till June 31<sup>st</sup> March 2017.

**B. Other Financial Information:**

7. We have also examined the following standalone financial information as set out in annexure prepared by the Management and as approved by the Board of directors of the company for period ended 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, and 31<sup>st</sup> March 2013.

|   |                           |
|---|---------------------------|
| Restated Statement of Share Capital, Reserves and surplus                 | Annexure-A                |
| Restated Statement of Long Term and Short term Borrowings                 | Annexure-B, B(A) and B(B) |
| Restated Statement of deferred Tax (Assets)/Liabilities                   | Annexure-C                |
| Restated Statement of Long Term Provisions                                | Annexure-D                |
|   |                           |
| Restated Statement of Trade Payables                                      | Annexure-E                |
| Restated Statement of other Current Liabilities and Short Term Provisions | Annexure-F                |
| Restated Statement of Fixed Assets  | Annexure-G                |
| Restated Statement of Non- Current Investments                            | Annexure-H                |
| Restated Statement Long term Loans and Advances                           | Annexure-I                |
| Restated Statement of Inventory   | Annexure-J                |
| Restated Statement of Trade Receivables                                   | Annexure-K                |
| Restated Statement of Cash & Cash Equivalents                             | Annexure-L                |
| Restated Statement of Short-Term Loans and Advances                       | Annexure-M                |
| Restated Statement of other Current Assets                                | Annexure-N                |
| Restated Statement of other Income  | Annexure-O                |
| Restated Statement of Turnover  | Annexure-P                |
| Restated Statement of Mandatory Accounting Ratios                         | Annexure-Q                |
| Restated Statement of Related party transaction                           | Annexure-R                |
| Restated Statement of Capitalization                                      | Annexure-S                |
| Restated Statement of Tax shelter   | Annexure-T                |
| Restated Statement of Contingent liabilities                              | Annexure-U                |
| Restated Statement of current Investment                                  | Annexure-V                |

8. The Restated Financial Information contain all the disclosures required by the Accounting Standards notified under the Companies Act, 1956 of India read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.
9. We have carried out re-audit of the financial statements for the period ended March 31<sup>st</sup>, 2017 as required by SEBI regulations. We have not audited any financial statements of the company as of any date of for any period subsequent to March 31<sup>st</sup>, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the company as of any date or for any period subsequent to March 31<sup>st</sup>, 2017.
10. The preparation and presentation of the financial statements referred to above are based on the Audited financial statements of the company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the company.
11. In our opinion, the above financial information contained in Annexure I to III and Annexure A to V of this report read along with the restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agree with you.
12. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
13. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.



14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for proposed Issue of Equity Shares of the company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a. In the case of Restated Statement of Assets and Liabilities of the Company as at 31<sup>st</sup> March 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013;
- b. In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the Years ended on that date; and
- c. In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

**For Narendra Sharma & Co.**  
**Chartered Accountants**  
**FRN:004983C**

**CA Yogesh Gautam**  
**Partner**  
**Membership No. 72676**  
**Date: 08-08-2017**  
**Place: Jaipur**



**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt. in Lacs)

| Particulars                                      | As at            |                 |                 |                 |                 |
|--|------------------|-----------------|-----------------|-----------------|-----------------|
|  | 31-Mar-17        | 31-Mar-16       | 31-Mar-15       | 31-Mar-14       | 31-Mar-13       |
| <b>I. EQUITY AND LIABILITIES</b>                 |                  |                 |                 |                 |                 |
| <b>Shareholder's Funds</b>                       |                  |                 |                 |                 |                 |
| Share Capital                                    | 462.31           | 462.31          | 424.49          | 393.65          | 393.65          |
| Reserves and Surplus                             | 2841.91          | 2028.09         | 1314.70         | 917.66          | 860.63          |
| Money received against share warrants            | -                | -               | -               |                 |                 |
| <b>Share Application Money Pending Allotment</b> | -                | -               | -               | -               | -               |
| <b>Non Current Liabilities</b>                   |                  |                 |                 |                 |                 |
| Long-term Borrowings                             | 35.51            | 39.49           | 18.63           | 6.15            | 12.66           |
| Deferred tax liabilities (Net)                   | -                | -               | -               | -               | -               |
| Other Long Term Liabilities                      | 12.42            | 343.52          | 602.46          | 374.60          | 145.98          |
| Long-term Provisions                             | 81.59            | 52.56           | 34.30           | 29.70           | 17.60           |
| <b>Current Liabilities</b>                       |                  |                 |                 |                 |                 |
| Short-term Borrowings                            | 3016.82          | 2030.47         | 1868.95         | 1163.49         | 964.70          |
| Trade Payables                                   | 2343.52          | 1839.79         | 932.72          | 761.12          | 738.81          |
| Other Current Liabilities                        | 1140.71          | 1030.37         | 513.44          | 889.19          | 289.30          |
| Short-term Provisions                            | 450.61           | 324.23          | 136.64          | 37.68           | 48.09           |
| <b>Total</b>                                     | <b>10,385.41</b> | <b>8,150.85</b> | <b>5,846.32</b> | <b>4,573.25</b> | <b>3,471.43</b> |
| <b>II. Assets</b>                                |                  |                 |                 |                 |                 |
| <b>Non Current Assets</b>                        |                  |                 |                 |                 |                 |
| Fixed assets                                     |                  |                 |                 |                 |                 |
| (i) Tangible Assets                              | 747.70           | 723.03          | 691.57          | 628.86          | 633.34          |
| (ii) Intangible Assets                           | 68.62            | 32.71           | 14.48           | 1.80            | 5.90            |
| (iii) Capital Work-In-Progress                   | -                | -               | -               | -               | -               |
| (iv) Intangible Assets Under Development         | -                | -               | -               | -               | -               |
| <b>Non Current Investments</b>                   | <b>253.44</b>    | <b>118.44</b>   | <b>118.44</b>   | <b>118.44</b>   | <b>118.44</b>   |
| <b>Deferred Tax Assets (Net)</b>                 | <b>58.45</b>     | <b>36.85</b>    | <b>24.83</b>    | <b>19.83</b>    | <b>16.90</b>    |
| <b>Long-term Loans and Advances</b>              | <b>214.30</b>    | <b>174.77</b>   | <b>226.77</b>   | <b>175.77</b>   | <b>219.93</b>   |
| <b>Other Non Current Assets</b>                  | -                | -               | -               | -               | -               |
| <b>Current assets</b>                            |                  |                 |                 |                 |                 |
| Current Investments                              | 2321.47          | 0.00            | 300.00          | 41.00           | 41.00           |
| Inventories                                      | 405.26           | 216.41          | 88.26           | 181.12          | 86.15           |
| Trade Receivables                                | 1522.11          | 1850.08         | 1579.63         | 2168.25         | 1,512.74        |
| Cash and Cash Equivalents                        | 3296.94          | 3311.65         | 2195.35         | 849.39          | 316.45          |
| Short-term Loans and Advances                    | 1476.68          | 1632.24         | 581.26          | 383.49          | 517.97          |
| Other Current Assets                             | 20.42            | 54.68           | 25.72           | 5.30            | 2.60            |
| <b>Total</b>                                     | <b>10,385.41</b> | <b>8,150.85</b> | <b>5,846.32</b> | <b>4,573.25</b> | <b>3,471.43</b> |

Note:-

1. The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.

As per our report of even date

**ANNEXURE II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amt. in Lacs)

| Particulars  |          | For the Year ended |                 |                 |                 |                 |
|--|----------|--------------------|-----------------|-----------------|-----------------|-----------------|
|  |          | 31-03-2017         | 31-03-2016      | 31-03-2015      | 31-03-2014      | 31-03-2013      |
| Revenue from Operations (Gross)  |          | 10,635.98          | 6,965.07        | 3,009.78        | 1,820.72        | 1,508.32        |
| Other income   |          | 378.12             | 433.93          | 327.30          | 91.71           | 228.42          |
| <b>Total Revenue</b>   | <b>A</b> | <b>11,014.10</b>   | <b>7,399.00</b> | <b>3,337.09</b> | <b>1,912.43</b> | <b>1,736.74</b> |
| Expenses:  |          |                    |                 |                 |                 |                 |
| Cost of Operations   |          | 6,776.56           | 4,604.37        | 1,598.51        | 1,074.84        | 871.13          |
| Employee benefits expense  |          | 1,812.71           | 921.03          | 416.84          | 289.67          | 233.14          |
| Finance costs  |          | 325.02             | 335.33          | 249.89          | 159.19          | 230.99          |
| Depreciation and amortization expense                                      |          | 184.97             | 158.89          | 101.00          | 46.45           | 40.58           |
| Other expenses   |          | 675.33             | 442.30          | 508.02          | 253.98          | 171.53          |
| <b>Total Expenses</b>  | <b>B</b> | <b>9,774.59</b>    | <b>6,461.91</b> | <b>2874.26</b>  | <b>1,824.13</b> | <b>1547.37</b>  |
| Profit before exceptional and extraordinary items and tax (A-B)            | <b>C</b> | 1,239.51           | 937.09          | 462.82          | 88.30           | 189.38          |
| Exceptional/Prior Period item  |          | -                  | -               | -               | -               | -               |
| Profit before extraordinary items and tax                                  |          | 1,239.51           | 937.09          | 462.82          | 88.30           | 189.38          |
| Extraordinary item   |          | -                  | -               | -               | -               | -               |
| Profit Before Tax  |          | 1,239.51           | 937.09          | 462.82          | 88.30           | 189.38          |
| Provision for Tax  |          |                    |                 |                 |                 |                 |
| - Current Tax  |          | 447.30             | 321.36          | 128.28          | 29.20           | 41.83           |
| (2) Wealth Tax   |          | -                  | -               | 4.82            | 4.99            | 5.14            |
| - Deferred Tax Liability / (Asset)   |          | (21.61)            | (12.02)         | (5.00)          | (2.93)          | (2.34)          |
| - MAT Credit Entitlement   |          | -                  | -               | -               | -               | -               |
| - MAT Credit Utilised  |          | -                  | -               | -               | -               | -               |
| -Short/(Excess) Tax adjustment of prior years                              |          | -                  | -               | -               | -               | -               |
| <b>Restated profit after tax for the period from continuing operations</b> |          | <b>813.82</b>      | <b>627.75</b>   | <b>334.71</b>   | <b>57.04</b>    | <b>144.75</b>   |
| Profit/ (Loss) from Discontinuing operation                                |          | -                  | -               | -               | -               | -               |
| Tax expenses of discontinuing operations                                   |          | -                  | -               | -               | -               | -               |
| <b>Restated profit for the period</b>                                      |          | <b>813.82</b>      | <b>627.75</b>   | <b>334.71</b>   | <b>57.04</b>    | <b>144.75</b>   |

Note:

- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.  
As per our report of even date



**ANNEXURE III**  
**RESTATED CASH FLOW STATEMENT**

(Amt. in Lacs)

| Particulars   | For the Year ended |                 |                 |                |               |
|---|--------------------|-----------------|-----------------|----------------|---------------|
|   | 31-03-2017         | 31-03-2016      | 31-03-2015      | 31-03-2014     | 31-03-2013    |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                          |                    |                 |                 |                |               |
| Net Profit before tax   | 1,239.51           | 937.09          | 462.82          | 88.30          | 189.38        |
| Adjustment for :  |                    |                 |                 |                |               |
| Interest on Fixed Deposit   |                    | -               | -               | -              | -             |
| Dividend Income   |                    | -               | -               | -              | -             |
| Depreciation  | 184.97             | 158.89          | 101.00          | 46.45          | 40.58         |
| Preliminary Exp. Paid in cash during year                           |                    |                 |                 |                | -             |
| Provision of Gratuity   | -                  | -               | -               | -              | 19.26         |
| Loss on foreign Exchange Fluctuation                                |                    |                 | -               |                | -             |
| Loss / (Profit) on sale of Fixed Assets                             | (3.30)             | 0.05            | -               | (2.63)         | -             |
| Transition Period Adjustment  |                    |                 |                 | -              |               |
| Balance Write off   |                    |                 | -               | -              | -             |
| Interest on Borrowed Fund   |                    | -               | -               | -              | -             |
|   |                    |                 |                 |                |               |
| <b>Operating profit before working capital changes</b>              | 1,421.18           | 1,096.02        | 563.82          | 132.11         | 249.22        |
| <b>Adjustment for :</b>   |                    |                 |                 |                |               |
| (Increase)/Decrease in Inventories                                  | (188.86)           | (128.15)        | 92.86           | (94.97)        | 7.95          |
| (Increase)/Decrease in Trade Receivables                            | 327.96             | (270.44)        | 588.62          | (655.51)       | 970.30        |
| (Increase)/Decrease in Short Term loans and advances                | 155.56             | (1,050.98)      | (197.77)        | 134.48         | 282.06        |
| (Increase)/Decrease in Other Current Assets                         | (2,287.21)         | 271.03          | (279.42)        | (2.69)         | 71.20         |
| (Increase)/Decrease in Long Term loans and advances                 | (39.53)            | 52.00           | (51.00)         | 44.16          | (78.19)       |
| Increase/(Decrease) in trade payables                               | 503.73             | 907.08          | 171.60          | 22.32          | 148.81        |
| Increase/(Decrease) in tax provisions                               | 126.38             | 187.60          | 98.95           | (10.41)        | 15.02         |
| Increase/(Decrease) in other current liabilities                    | (191.74)           | 276.26          | (143.30)        | 840.61         | (669.93)      |
|   |                    |                 |                 |                |               |
| <b>Cash generated from / (used in) operations</b>                   | <b>(172.53)</b>    | <b>1,340.42</b> | <b>844.36</b>   | <b>410.10</b>  | <b>996.42</b> |
| Income Tax paid   | 447.30             | 321.36          | 133.10          | 34.20          | 46.97         |
| <b>Net cash generated from/(used in) operating activities - (A)</b> | <b>(619.83)</b>    | <b>1,019.07</b> | <b>711.26</b>   | <b>375.90</b>  | <b>949.46</b> |
|   |                    |                 |                 |                |               |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                          |                    |                 |                 |                |               |
| Purchase of tangible fixed assets                                   | (247.85)           | (216.03)        | (185.01)        | (74.24)        | (97.51)       |
| Sale (Purchase) of long-term investments                            | (135.00)           | -               | -               | -              | 181.57        |
| Sale of tangible fixed assets                                       | 5.60               | 6.08            | -               | 39.00          | -             |
| Interest Income on Fixed Deposit                                    |                    | -               | -               | -              | -             |
| Dividend Income   |                    |                 |                 |                |               |
| <b>Net cash (used in) Investing Activities - (B)</b>                | <b>(377.25)</b>    | <b>(209.96)</b> | <b>(185.01)</b> | <b>(35.24)</b> | <b>84.07</b>  |
|   |                    |                 |                 |                |               |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                          |                    |                 |                 |                |               |
| Proceeds from issue of Share Capital/                               | -                  | 37.82           | 30.84           | -              | (4.50)        |



|   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Share Application Money (Including Application Money)                 |                   |                   |                   |                   |                   |
| Proceeds from issuance of share capital Share Premium                 | -                 | 86.99             | 70.93             | -                 | -                 |
| Proceeds / Repayment of borrowings                                    | 982.38            | 182.38            | 717.94            | 192.27            | (1,315.63)        |
| Interest on Borrowed Fund   |                   | -                 | -                 | -                 | -                 |
| Proposed Dividend Paid (Including Dividend Distribution Tax)          | -                 | -                 | -                 | -                 | -                 |
| <b>Net cash(used in) / from financing activities - (C)</b>            | <b>982.38</b>     | <b>307.19</b>     | <b>819.71</b>     | <b>192.27</b>     | <b>(1,320.13)</b> |
|   |                   |                   |                   |                   |                   |
| <b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b> | <b>(14.71)</b>    | <b>1,116.30</b>   | <b>1,345.97</b>   | <b>532.93</b>     | <b>(286.61)</b>   |
| Cash and cash equivalents at the beginning of the year                | 3,311.65          | 2,195.35          | 849.39            | 316.45            | 603.06            |
| Cash and cash equivalents at the end of the year                      | 3,296.94          | 3,311.65          | 2,195.35          | 849.39            | 316.45            |
| <b>Cash and cash equivalents at the end of year comprises :</b>       |                   |                   |                   |                   |                   |
| <b>1. Components of cash and cash equivalents:</b>                    |                   |                   |                   |                   |                   |
| <b>Particulars</b>  | <b>31-03-2017</b> | <b>31-03-2016</b> | <b>31-03-2015</b> | <b>31-03-2014</b> | <b>31-03-2013</b> |
| Cash on hand  | 5.31              | 4.69              | 2.27              | 2.73              | 1.13              |
| Balances with scheduled banks:  |                   |                   |                   |                   |                   |
| In current accounts   | 286.14            | 138.71            | 103.83            | 194.91            | 179.82            |
| in Deposits with Scheduled Bank                                       | 3,005.49          | 3,168.25          | 2,089.25          | 651.75            | 135.50            |
| <b>Total Cash and cash equivalents</b>                                | <b>3,296.94</b>   | <b>3,311.65</b>   | <b>2,195.35</b>   | <b>849.39</b>     | <b>316.45</b>     |

Note:

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures IV, I and II.



**ANNEXURE-IV**

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

**A. BACKGROUND**

Our Company was originally incorporated on July 12, 1994 as “FMS Securities Limited” vide Registration no. 02-04175/1994-95 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong. Pursuant to scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon’ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited, vide a fresh certificate of Incorporation pursuant to change of name dated July 15, 2010 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 having CIN U67120UP1994PLC050209. Our company is currently engaged in the business of equity broking, investing and trading activities. Along with this we are also providing the services as a Depository Participant, Research Analyst, and Mutual Fund Advisor/Distributor.

**B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Financial Statements have prepared under the historical cost basis of accounting and evaluated on a going-concern basis, with revenue and expenses accounted for on their accrual to comply in all material aspect with the applicable accounting policies and applicable Accounting Standards notified by companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the companies act, 1956 and the Rules, read with General Circular 15/2013 dated September, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the companies act, 2013.

**2. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

**3. FIXED ASSETS**

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. Subsequent expenses related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**4. DEPRECIATION**

Depreciation on fixed assets has been charged on written down value basis for the assets, pro-rata for the period of use, by adopting the rates of depreciation specified in Schedule XIV of the companies act, 1956 and as per method specified in Schedule-II of The Companies Act, 2013 for the relevant periods.

**5. BORROWING COSTS**

Borrowing costs that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of the asset. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which incurred.

**6. IMPAIRMENT OF ASSETS**





The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

## **7. INVESTMENTS**

There are Long term investments .Long-term investment is valued at cost less provision, if any ; for diminution other than temporary decline in their value.

## **8. INVENTORIES**

The company is providing service of “Share Trading ”. Hence AS-2 does not apply on the company. So valuation of inventory is done as per AS-13.

## **9. REVENUE RECOGNITION**

- I. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- II. Revenue is recognized on net of rate difference and other deductions.
- III. Other income is accounted for on accrual basis in accordance with Accounting Standards (AS)9-“Revenue Recognition”.

## **10. FOREIGN CURRENCY TRANSACTIONS**

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any income or expenses on account of exchange difference either on settlement or on translation is recognized in the statement of profit and loss except in case where they relate to acquisition of fixed assets in which case they are adjusted with the carrying cost of such assets.

## **11. EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

- I. A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The company makes specified monthly contributions towards Provident Fund. The company’s contributions to Employees Provident Fund are charged to statement of profit and loss every year.
- II. The company has no policy of encashment and accumulation of Leave. Therefore, no provision of Leave Encashment is being made.
- III. Employee Gratuity Fund Scheme is the Defined Benefit Plan. Provision for gratuity has been made in the accounts, in case of those employees who are eligible for the retirement benefits. Gratuity is paid at the time of retirement of employees. Provision for gratuity liability is provided based on Actuarial Valuation made.
- IV. Short term Employee benefits like leave benefit, if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

## **12. ACCOUNTING FOR TAXES ON INCOME**

- I. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961 after considering tax allowances and exemptions.
- II. Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.
- III. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a virtual certainty of their realization. Other items are recognized only when there is a reasonable certainty of their realization.

## **13. CONTINGENT LIABILITIES AND PROVISIONS**



Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **14. EARNINGS PER SHARE:**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary/exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

#### **15. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the company are segregated accordingly.

#### **16. GOVERNMENT GRANT**

The company had not received any government grant yet.

#### **C. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies except for provision for Gratuity which has been provided on the basis of estimates made by the management rather than cash basis of accounting followed by the company in this regard.

#### **D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

1. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31,2013 and March 31,2014 are prepared as per the revised schedule VI and the financial statements for the year ended March 2015, 31 March 2016 and 31<sup>st</sup> March 2017 are prepared as per SCH-III of The Companies Act,2013. Accordingly, the figures of the previous years have also been re-classified to conform to classification as per the revised schedule VI. The adoption of revised schedule VI for the figures of the previous year's does not impact recognition and measurement principles followed for the preparation of these financial statements.



2. The financial statement including financial information have been prepared after making such regroupings and adjustments considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### 3. Employee benefits:

The company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

(Amt in Rs.)

| Particulars  | 31/03/2017                    | 31/03/2016                  | 31/03/2015                  | 31/03/2014                  | 31/03/2013            |
|--|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|
| 1. The amount recognised in the Balance Sheet are as follows:      |                               |                             |                             |                             |                       |
| Present value of funded obligation recognised                      | 8489503                       | 5543709                     | 3782768                     | 3318958                     | 1872862               |
| <b>Net Liability</b>   |                               |                             |                             |                             |                       |
| 2. The Amount recognised in the Profit & loss are as follows:-     |                               |                             |                             |                             |                       |
| Current Service Cost   | 2443154                       | 1783593                     | 850943                      | 704385                      | 0                     |
| Interest on Defined Benefits obligation                            | 426562                        | 403535                      | 240624                      | 135782                      | 0                     |
| Net Actuarial Losses/ (Gain) Recognised in year                    | 238561                        | (1872993)                   | (627757)                    | 605929                      | 0                     |
| Past Services Cost / benefits paid                                 | (162483)                      | 0                           | 0                           | 0                           | 0                     |
| Total Included in "Salaries Allowances & Welfare"                  | 2945794                       | 314135                      | 463810                      | 1446096                     | 0                     |
| 3.Changes in the Present Value of Defined benefit obligation:-     |                               |                             |                             |                             |                       |
| Defined benefit obligation as at the beginning of the year /Period | 5543709                       | 5229574                     | 3318958                     | 1872862                     | 0                     |
| Service Cost   | 2443154                       | 1783593                     | 850943                      | 704385                      | 0                     |
| Interest Cost  | 426562                        | 403535                      | 240624                      | 135782                      | 0                     |
| Actuarial Losses / (Gains)   | 238561                        | (1872993)                   | (627757)                    | 605929                      | 0                     |
| Past Services Cost / benefits paid                                 | (162483)                      | 0                           | 0                           | 0                           | 0                     |
| Defined benefit obligation as at the end of the year /Period       | 8489503                       | 5543709                     | 3782768                     | 3318958                     | 0                     |
| 4.Benefit Description  |                               |                             |                             |                             |                       |
| Benefit type:  | Gratuity Valuation as per Act |                             |                             |                             |                       |
| Retirement Age:  | 58                            | 58                          | 58                          | 58                          | 58                    |
| Vesting Period:  | 5 year                        | 5 year                      | 5 year                      | 5 year                      | 5 year                |
| The principal actuarial assumptions for the above are:             |                               |                             |                             |                             |                       |
| Future Salary rise:  |                               |                             |                             |                             |                       |
| Discount rate per annum:   | 7.10%                         | 7.70%                       | 7.25%                       | 7.25%                       | 7.25%                 |
| Attrition rate:  | 10%                           | 10%                         | 10%                         | 10%                         | 10%                   |
| Mortality Rate:  | IALM<br>2006-08<br>Ultimate   | IALM<br>2006-08<br>Ultimate | IALM<br>2006-08<br>Ultimate | IALM<br>2006-08<br>Ultimate | LIC 94-96<br>Ultimate |

### 4. Segment Reporting (AS17)

The company is required to disclose the information required by Accounting Standard-17. No separate segments have, however, been reported as the company does not have more than one business segments within the meaning of Accounting Standard-17, which differ from each other in risk and reward.

### 5. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for).

There are no contingent liabilities as on March 31, 2017 except as mentioned in Annexure-U, for any of the years covered by the statements.

### 6. Related Party Disclosure (AS 18)



Related party transactions are already reported as per AS-18 of the companies (Accounting Standards) Rules, 2006 as amended, in the Annexure-R of the enclosed financial statements.

7. Accounting for Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard-22: "Accounting for Taxes on Income" as at the end of the year is reported as under:

| Particulars  | Amount in Rs. Lacs As at |           |            |            |            |
|--|--------------------------|-----------|------------|------------|------------|
|  | 31.03.2017               | 31.3.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 |
| <b>Deferred Tax Liability</b>  |                          |           |            |            |            |
| Net Block as per Restated accounts                                       | 325.88                   | 265.30    | 215.63     | 140.23     | 113.01     |
| Net Block as per Income Tax  | 342.95                   | 284.04    | 226.38     | 135.26     | 101.49     |
| Timing difference-depreciation   | (17.06)                  | (18.74)   | (10.76)    | 4.97       | 11.52      |
| Deferred Tax Liability (a)   | (5.90)                   | (6.20)    | (3.49)     | 1.54       | 3.74       |
| Business Loss  | 15.91                    | -         | -          | -          | -          |
| Gratuity expenses charged to profit and loss                             | 29.46                    | 17.61     | 4.64       | 14.46      | 18.73      |
| Deferred Tax Assets(B)   | 15.70                    | 5.82      | 1,5048     | 4.47       | 6.08       |
| Opening Deferred Tax Liability   | (36.85)                  | (24.83)   | (19.83)    | (16.90)    | (14.56)    |
| Debited/(Credit) to Restated Statement of Profit and Loss Account        | (21.61)                  | (12.02)   | (5.00)     | (2.93)     | (2.34)     |
| Cumulative Balance of Deferred Tax Liability/(Deferred Tax Assets) (A-B) | (58.45)                  | (36.85)   | (24.83)    | (19.83)    | (16.90)    |

8. Earnings Per Share (AS 20):

Earnings per share have been calculated is already reported in the Annexure-Q of the enclosed financial statements.

9. Leases (AS19)

Finance Lease

Leases which effectively transfer to the company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

Operating Leases are mainly in the nature of lease of office premises with no restrictions and are renewable by mutual consent. There are no restrictions imposed by lease arrangements. Lease rental payments made by the company are recognized in the statement profit and loss account in restated financials under the head Other.

10. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS,2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/period and its impact on the profit & losses of the company.



| Particulars                          |                                    | Amount (In Rs.) |         |         |         |         |
|--------------------------------------|------------------------------------|-----------------|---------|---------|---------|---------|
|                                      |                                    | 2016-17         | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| Profit before Tax As Per Audited P&L |                                    | 1239.57         | 959.42  | 444.76  | 98.72   | 204.24  |
| Less:                                | 1. Gratuity Expenses               | -               | 14.47   | (20.31) | 10.31   | 14.79   |
|                                      | 2. Depreciation                    | 0.06            | 7.87    | 2.25    | 0.11    | 0.07    |
|                                      | 3. IT paid                         | 447.30          | 321.36  | 133.10  | 34.20   | 46.97   |
|                                      | 4. Tax Adjustment for prior period | -               | -       | -       | -       | -       |
|                                      | 5. DTA/DTL Adjustment              | (21.61)         | (12.02) | (5.00)  | (2.93)  | (2.34)  |
| Total (A)                            |                                    | 813.82          | 627.75  | 334.71  | 57.04   | 144.75  |
| Profit after Tax As Per Restated P&L |                                    | 813.82          | 627.75  | 334.71  | 57.04   | 144.75  |

**Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values.

**For Narendra Sharma & Co.**  
**Chartered Accountants**  
**FRN:004983C**

**CA Yogesh Gautam**  
**Partner**  
**Membership No. 72676**  
**Date: 08-08-2017**  
**Place: Jaipur**



**ANNEXURE A**  
**STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Amt. in Lacs)

| Particulars                                  | As at          |                 |                 |               |               |
|--|----------------|-----------------|-----------------|---------------|---------------|
|  | 31-03-2017     | 31-03-2016      | 31-03-2015      | 31-03-2014    | 31-03-2013    |
| <b>Share Capital</b>                         |                |                 |                 |               |               |
| Authorised Share Capital                     | 600.00         | 600.00          | 425.00          | 425.00        | 425.00        |
| Equity shares of Rs.10 each                  |                |                 |                 |               |               |
| Share Capital                                |                |                 |                 |               |               |
| Issued, Subscribed and Paid up Share Capital | 462.31         | 462.31          | 424.49          | 393.65        | 393.65        |
| Equity Shares of Rs. 10 each fully paid up   |                |                 |                 |               |               |
| Share Capital (in Rs.)                       |                |                 |                 |               |               |
| <b>Total</b>                                 | <b>462.31</b>  | <b>462.31</b>   | <b>424.49</b>   | <b>393.65</b> | <b>393.65</b> |
| Reserves and Surplus                         |                |                 |                 |               |               |
| A) Capital Reserves                          |                |                 |                 |               |               |
| As Per Last Financial Statements             |                |                 |                 |               |               |
| <b>Total (A)</b>                             | <b>-</b>       | <b>-</b>        | <b>-</b>        | <b>-</b>      | <b>-</b>      |
| B) Surplus in Profit and Loss account        |                |                 |                 |               |               |
| Opening Balance                              | 1,816.68       | 1,190.28        | 864.17          | 807.14        | 662.39        |
| Add: Profit for the year                     | 813.82         | 627.75          | 334.71          | 57.04         | 144.75        |
| Less: Adjustment FA Retirement amount        |                | 1.35            | 8.61            | -             |               |
| <b>Total (B)</b>                             | <b>2630.50</b> | <b>1,817</b>    | <b>1,190.28</b> | <b>864.17</b> | <b>807.14</b> |
| C) Securities Premium Account                |                |                 |                 |               |               |
| Opening Balance                              | 211.41         | 124.42          | 53.49           | 53.49         | 53.49         |
| Add: Issue of Shares                         | -              | 86.99           | 70.93           | -             | -             |
| <b>Total (C)</b>                             | <b>211.41</b>  | <b>211.41</b>   | <b>124.42</b>   | <b>53.49</b>  | <b>53.49</b>  |
| <b>Total (A+B+C)</b>                         | <b>2841.91</b> | <b>2,028.09</b> | <b>1,314.70</b> | <b>917.66</b> | <b>860.63</b> |

Note:

- The figures mentioned in the bracket represent absolute number of shares.
- Terms/rights attached to equity shares:
  - The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.
  - In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- The reconciliation of the number of shares outstanding as at: -

| Particulars                              | As at      |            |            |            |            |
|--|------------|------------|------------|------------|------------|
|  | 31-03-2017 | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013 |
| Number of shares at the beginning        | 46.23      | 42.45      | 39.37      | 39.37      | 39.37      |
| Add: Shares issued during the year       | -          | 3.78       | 3.08       | -          | -          |
| Less: Shares bought back during the Year | -          | -          | -          | -          | -          |
| Number of shares at the end              | 46.23      | 46.23      | 42.45      | 39.37      | 39.37      |

- The detail of shareholders holding more than 5% of Shares as at: -

| Name of Share Holder | As at ( No of Shares) |            |            |            |            |
|----------------------|-----------------------|------------|------------|------------|------------|
|                      | 31-03-2017            | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013 |
| Parveen Gupta        | 4,58,300              | 4,58,300   | 4,17,300   | 3,84,600   | 684,600    |
| Rajesh Kumar Gupta   | 4,96,517              | 4,96,517   | 3,80,117   | 3,80,117   | 730,117    |
| Yash Pal Gupta       | 3,92,650              | 3,92,650   | 3,92,650   | 3,81,450   | 466,450    |
| Rekha Gupta          | 4,25,097              | 4,25,097   | 3,80,597   | 3,80,597   | 340,597    |



|               |          |          |          |          |         |
|---------------|----------|----------|----------|----------|---------|
| Sachin Gupta  | 2,90,800 | 2,90,800 | 2,89,100 | 2,89,100 | 289,100 |
| Saroj Gupta   | 4,33,400 | 4,33,400 | 2,94,700 | 2,83,500 | 283,500 |
| Saurabh Gupta | 3,41,103 | 3,41,103 | 3,38,603 | 2,99,203 | 209,203 |
| Tripti Gupta  | 3,56,900 | 3,56,900 | 3,56,900 | 3,25,400 | -       |
| Rohin Gupta   | 3,30,828 | 3,30,828 | 3,30,828 | 2,85,928 | -       |
| Rachit Gupta  | 4,14,600 | 4,14,600 | 4,14,600 | 3,77,700 | -       |
| Suman Gupta   | 3,20,500 | 3,20,500 | 3,09,700 | 3,09,700 | 366,100 |

**ANNEXURE B**  
**STATEMENT OF LONG TERM BORROWINGS AND SHORT TERM AS RESTATED**  
**(Amt. in Lacs)**

| Particulars   | As at          |                |                |                |               |
|---|----------------|----------------|----------------|----------------|---------------|
|   | 31-03-2017     | 31-03-2016     | 31-03-2015     | 31-03-2014     | 31-03-2013    |
| Long Term Borrowings  |                |                |                |                |               |
| From Banks/Financial Institutions (Secured)                                       |                |                |                |                |               |
| Term Loans  | 60.96          | 62.52          | 31.68          | 16.58          | 24.60         |
| Loans and advances (Unsecured)  |                |                |                |                |               |
| From Promoters/Directors/Related Parties  | 0              | 0              | 0.00           | 0.00           | 0.00          |
| From others   | 0              | 0              | 0.00           | 0.00           | 0.00          |
| From Financial Institutions   | 0              | 0              | -              | -              | -             |
| <b>Total</b>  | <b>60.96</b>   | <b>62.52</b>   | <b>31.68</b>   | <b>16.58</b>   | <b>24.60</b>  |
| Current portion of long-term borrowings, included under Other current liabilities |                |                |                |                |               |
| Term Loans and Car Loan   | 28.44          | 23.02          | 13             | 10.43          | 11.94         |
| Short Term Borrowings   |                |                |                |                |               |
| From Banks (Secured)  | 1978.99        | 2030.47        | 1869           | 1163.49        | 964.70        |
| Bank Working Capital Loan   | 0.00           | 0.00           | 0.00           | 0.00           | 0.00          |
| From Promoters/Directors/Related Parties  | 1037.83        | 0.00           | 0.00           | 0.00           | 0.00          |
| <b>Total</b>  | <b>3016.82</b> | <b>2030.47</b> | <b>1868.95</b> | <b>1163.49</b> | <b>964.70</b> |
| The above amount includes:  |                |                |                |                |               |
| Secured Borrowings  | 2040           | 2092.99        | 1900.63        | 1180.06        | 989.30        |
| Unsecured Borrowings  | 1038           | 0.00           | 0.00           | 0.00           | 0.00          |

## Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A)
- The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B)





**ANNEXURE B (A)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

| Name of Lender      | Purpose              | Sanctioned Amount In Lacs | Rate of interest   | Primary Security   | Collateral/Other Security  | Re-Payment Schedule                        | Moratorium | Outstanding amount as on 31-03-2017 as per Books |
|---------------------|----------------------|---------------------------|--------------------|--|--|--|------------|--|
| <b>Secured Loan</b> |                      |                           |                    |  |  |  |            | <b>In Rupees</b>                                 |
| HDFC Bank           | Car Loan- Volkswagen | 29.00                     | 9.99%              | Hypothecation of vehicles  | --   | Repayable in 60 monthly Installments       | NA         | 17.56  |
|                     | Car Loan- Skoda      | 9.61                      | 10.25%             | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 9.61   |
|                     | Car Loan- Electra    | 14.40                     | 10.50%             | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 0.92   |
|                     | Car Loan- Altis      | 16.87                     | 10.26%             | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 9.55   |
|                     | Car Loan- Amaze      | 4.00                      | 10.60%             | Hypothecation of vehicles  | --   | Repayable in 60 monthly Installments       | NA         | 1.85   |
|                     | Car Loan- Ciaz       | 7.30                      | 9.64%              | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 6.56   |
|                     | STL/BG/Overdraft     | 6200.00                   | As per Agreed Rate | (Secured against FDR of Rs. 6,00,25,000/-                                | Personal guarantee of Directors and agst Directors Property/ Company owned Property -(a) Directors Property:- 14 Dayanand Vihar, Delhi-92, (b) Company owned Property at :(1). Plot no. 128, Block-Cassia Fistula Estate, Sector-CHI-04, Greater Noida, Dist. Gautam Budh Nagar, UP-201301) (2). Plot no. 84, Block-A, Sector-108,Noida, , UP) | Max-15 months (operative Period 12 Months) |            | 1,540.00   |
| ICICI Bank          | STL/Overdraft        | 448.00                    | As per Agreed Rate | Secured against Property of Directors at 306, Jagriti Enclave, Delhi-92, | Personal Guarantee of Directors and Director property at 306,Jagriti Enclave, Delhi -92  | On Demand                                  | N.A.       | 438.99   |

**ANNEXURE - B (B)**  
**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

Details of Unsecured Loans outstanding as at the end of the respective year from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities.

Unsecured Loans from Promoters/Directors are interests bearing and all are taken without any preconditions attached towards repayments.

**Windpipe Finvest Pvt Ltd**

**Rate of Interest- 8.00 %**

**(Amt. in Lacs)**

| Particulars              | As at      |
|--------------------------|------------|
|                          | 31/03/2017 |
| Opening Balance Cr/(DR)  | -          |
| Amount Received/credited | 11,307.08  |
| Amount repaid/adjusted   | 10,269.25  |
| Outstanding Amount       | 1,037.83   |

**ANNEXURE – C**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

**(Amt. in Lacs)**

| Particulars  | For the year ended |                |                |                |                |
|--|--------------------|----------------|----------------|----------------|----------------|
|  | 31-03-2017         | 31-03-2016     | 31-03-2015     | 31-03-2014     | 31-03-2013     |
| Opening Balance (A)  |                    |                |                |                |                |
| Opening Balance of Deferred Tax (Asset) / Liability              | (36.85)            | (24.83)        | (19.83)        | (16.90)        | (14.56)        |
| Current Year Provision (B)                                       | (21.61)            | (12.02)        | (5.00)         | (2.93)         | (2.34)         |
| (DTA) / DTL on Depreciation                                      | (5.90)             | (6.20)         | (3.49)         | 1.54           | 3.74           |
| (DTA) / DTL on Unabsorbed Dep/Bonus Expenses                     | (15.70)            | (5.82)         | (1.50)         | (4.47)         | (6.08)         |
| <b>Closing Balance of Deferred Tax (Asset) / Liability (A+B)</b> | <b>(58.45)</b>     | <b>(36.85)</b> | <b>(24.83)</b> | <b>(19.83)</b> | <b>(16.90)</b> |

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, I and III .

**ANNEXURE – D**  
**STATEMENT OF LONG TERM PROVISIONS**

**(Amt. in Lacs)**

| Particulars                     | As at        |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                 | 31-03-2017   | 31-03-2016   | 31-03-2015   | 31-03-2014   | 31-03-2013   |
| Provision for Employee Benefits |              |              |              |              |              |
| Gratuity Provision              | 81.59        | 52.56        | 34.30        | 29.70        | 17.60        |
| Other Provision                 | -            | -            | -            | -            | -            |
| <b>TOTAL</b>                    | <b>81.59</b> | <b>52.56</b> | <b>34.30</b> | <b>29.70</b> | <b>17.60</b> |

**ANNEXURE – E**  
**STATEMENT OF TRADE PAYABLES**

**(Amt. in Lacs)**

| PARTICULARS   | As at          |                |               |               |               |
|---|----------------|----------------|---------------|---------------|---------------|
|   | 31-03-2017     | 31-03-2016     | 31-03-2015    | 31-03-2014    | 31-03-2013    |
| Trade Payables  |                |                |               |               |               |
| Micro, Small and Medium Enterprises                   | -              | -              | -             | -             | -             |
| For Goods & Services (including advance from debtors) | 2343.52        | 1839.79        | 932.72        | 761.12        | 738.81        |
| <b>Total</b>  | <b>2343.52</b> | <b>1839.79</b> | <b>932.72</b> | <b>761.12</b> | <b>738.81</b> |

Notes:



1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**ANNEXURE – F**  
**STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**  
(Amt. in Lacs)

| PARTICULARS                                   | As at           |                 |               |               |               |
|---|-----------------|-----------------|---------------|---------------|---------------|
|   | 31-03-2017      | 31-03-2016      | 31-03-2015    | 31-03-2014    | 31-03-2013    |
| Other Current Liabilities                     |                 |                 |               |               |               |
| Current maturities of long-term borrowings    |                 |                 |               |               |               |
| - Term Loan/Car Loan                          | 28.44           | 23.02           | 13.05         | 10.43         | 11.94         |
| Advance Against Property                      | 36.00           | 36.00           | 36.00         | -             | -             |
| Cheques issued but not yet presented in Banks | 388.77          | 583.41          | 239.54        | 772.36        | 190.71        |
| Expenses Payable                              | 687.50          | 387.94          | 224.84        | 106.41        | 86.65         |
| <b>Total</b>                                  | <b>1,140.71</b> | <b>1,030.37</b> | <b>513.44</b> | <b>889.19</b> | <b>289.30</b> |
| Short-Term Provisions                         |                 |                 |               |               |               |
| Opening Balances of Provision                 | 2.88            | 3.53            | 3.49          | 1.12          |               |
| Provision for Income Tax                      | 447.30          | 321.36          | 133.10        | 34.20         | 46.97         |
| Provision for MAT                             | -               | -               | -             | -             | -             |
| Provision for Dividend                        | -               | -               | -             | -             | -             |
| Provision for Gratuity                        | 0.43            | (0.66)          | 0.05          | 2.36          | 1.12          |
| <b>Total</b>                                  | <b>450.61</b>   | <b>324.23</b>   | <b>136.64</b> | <b>37.68</b>  | <b>48.09</b>  |

## Notes

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – G**  
**STATEMENT OF FIXED ASSETS**  
(Amt. in Lacs)

| PARTICULARS                     | As at         |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                 | 31-03-2017    | 31-03-2016    | 31-03-2015    | 31-03-2014    | 31-03-2013    |
| <b>(i) Tangible Assets</b>      |               |               |               |               |               |
| Land                            | 490.43        | 490.43        | 490.43        | 490.43        | 526.00        |
| Air Conditioner                 | 4.94          | 4.00          | 1.41          | 2.60          | 2.74          |
| Car & Motor Cycle               | 108.80        | 82.51         | 71.21         | 38.23         | 42.47         |
| Computer                        | 96.20         | 120.31        | 101.52        | 64.59         | 28.39         |
| Computer Server                 | 23.35         |               |               |               |               |
| Electricity Fittings & Fixtures | 0.12          | 0.21          | 0.36          | 0.63          | 0.74          |
| Epabx                           | -             | 0.03          | 0.03          | 0.19          | 0.22          |
| Furniture & Fitting             | 2.26          | 1.50          | 2.39          | 3.34          | 3.33          |
| Generator                       | 3.07          | 3.87          | 4.89          | 6.17          | 7.17          |
| Inverter                        | 0.04          | 0.09          | 0.16          | 0.30          | 0.34          |
| Modem                           | 0.15          | 0.21          | 0.31          | 0.45          | 0.52          |
| Office Equipment                | 5.92          | 6.03          | 3.50          | 6.17          | 5.31          |
| Printer                         | 0.53          | 0.62          | 0.23          | 1.04          | 1.19          |
| Router Board                    | 6.99          | 6.28          | 6.63          | 5.70          | 5.96          |
| UPS                             | 4.90          | 6.93          | 8.50          | 9.02          | 8.73          |
| <b>Total Tangible Assets</b>    | <b>747.70</b> | <b>723.02</b> | <b>691.57</b> | <b>628.86</b> | <b>633.00</b> |
| Intangible Assets               |               |               |               |               |               |



|                                     |               |               |               |               |               |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Computer Software                   | 68.62         | 32.71         | 14.48         | 1.80          | 5.90          |
| Capital Work-in-Progress            | -             | -             | -             | -             | -             |
| Intangible assets under development | -             | -             | -             | -             | -             |
| <b>Grand Total</b>                  | <b>816.32</b> | <b>755.74</b> | <b>706.06</b> | <b>630.66</b> | <b>639.24</b> |

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – H  
STATEMENT OF NON-CURRENT INVESTMENTS**

(Amt. in Lacs)

| Particulars   | As at         |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 31-03-2017    | 31-03-2016    | 31-03-2015    | 31-03-2014    | 31-03-2013    |
|   | Amount        | Amount        | Amount        | Amount        | Amount        |
| Non Current Investment<br>(Other Than Trade, at Cost)   | 63.44         | 63.44         | 63.44         | 63.44         | 63.44         |
| Investment in Un Listed Equity Shares<br>(Subsidiary)   | 135.00        | -             | -             | -             | -             |
| Investment in Un Listed Equity Shares<br>(Associate company- Share India<br>Commodity Broker Pvt. Ltd &<br>Anmol India Ltd in respective years) | 55.00         | 55.00         | 55.00         | 55.00         | 55.00         |
| <b>Total</b>  | <b>253.44</b> | <b>118.44</b> | <b>118.44</b> | <b>118.44</b> | <b>118.44</b> |

Notes :

- The figures mentioned in the bracket represent absolute number of shares.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – I  
STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. in Lacs)

| PARTICULARS   | As at         |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 31-03-2017    | 31-03-2016    | 31-03-2015    | 31-03-2014    | 31-03-2013    |
| <b>Unsecured, Considered Good unless otherwise stated</b> |               |               |               |               |               |
| Security Deposit  | 214.30        | 174.77        | 226.77        | 175.77        | 219.93        |
| Capital Advances  | -             | -             | -             | -             | -             |
| Other Advances  | -             | -             | -             | -             | -             |
| Loans & Advance to related<br>Parties                     | -             | -             | -             | -             | -             |
| <b>Total</b>  | <b>214.30</b> | <b>174.77</b> | <b>226.77</b> | <b>175.77</b> | <b>219.93</b> |

Note:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – J  
STATEMENT OF INVENTORIES**

(Amt. in Lacs)

| PARTICULARS | As at      |            |            |            |            |
|-------------|------------|------------|------------|------------|------------|
|             | 31-03-2017 | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013 |
|             |            |            |            |            |            |



|                                 |               |               |              |               |              |
|---------------------------------|---------------|---------------|--------------|---------------|--------------|
| Inventory of Trading Securities | 405.26        | 216.41        | 88.26        | 181.12        | 86.15        |
| <b>Total</b>                    | <b>405.26</b> | <b>216.41</b> | <b>88.26</b> | <b>181.12</b> | <b>86.15</b> |

Note:- Inventory has been physically verified by the management of the Company at the end of respective year.

**ANNEXURE – K**  
**STATEMENT OF TRADE RECEIVABLES**

(Amt. in Lacs)

| PARTICULARS  | As At           |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 31-03-2017      | 31-03-2016      | 31-03-2015      | 31-03-2014      | 31-03-2013      |
| <b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>         |                 |                 |                 |                 |                 |
| From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies. | -               | -               | -               | -               | -               |
| Others   | 10.08           | 13.74           | 14.52           | 17.71           | 10.78           |
| <b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>       |                 |                 |                 |                 |                 |
| From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies. | -               | -               | -               | -               | -               |
| Others   | 1,512.03        | 1,836.34        | 1,565.12        | 2,150.54        | 1,501.96        |
| <b>Total</b>   | <b>1,522.11</b> | <b>1,850.08</b> | <b>1,579.63</b> | <b>2,168.25</b> | <b>1,512.74</b> |

Note:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – L**  
**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. in Lacs)

| PARTICULARS                               | As at           |                 |                 |               |               |
|---|-----------------|-----------------|-----------------|---------------|---------------|
|   | 31-03-2017      | 31-03-2016      | 31-03-2015      | 31-03-2014    | 31-03-2013    |
| Cash in Hand (As Certified by Management) | 5.31            | 4.69            | 2.27            | 2.73          | 1.13          |
| Balances with Banks                       |                 |                 |                 |               |               |
| - In Current Accounts                     | 286.14          | 138.71          | 103.83          | 194.91        | 179.82        |
| - In Bank Deposits                        | 3,005.49        | 3,168.25        | 2,089.25        | 651.75        | 135.50        |
| <b>Total</b>                              | <b>3,296.94</b> | <b>3,311.65</b> | <b>2,195.35</b> | <b>849.39</b> | <b>316.45</b> |

Note:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- Balances in Bank deposits are under lien with Banks against Bank Guarantee issued favouring to the Customers of Company.

**ANNEXURE – M**  
**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. in Lacs)

| PARTICULARS   | As at      |            |            |            |            |
|---|------------|------------|------------|------------|------------|
|   | 31-03-2017 | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013 |
| <b>Unsecured, Considered Good unless otherwise stated</b> |            |            |            |            |            |
| Advance Recoverable in Cash or Kind                       | 958.19     | 1,185.67   | 360.23     | 257.17     | 436.01     |
| Capital Advances  | -          | -          | -          | -          | -          |
| Deposits  | -          | -          | -          | -          | -          |
| MAT Credit Entitlement                                    | -          | -          | -          | -          | -          |
| TDS Claim receivable (Stock                               | 50.15      | 28.88      | 7.98       | 17.12      | 8.92       |



|                    |                 |                 |               |               |               |
|--------------------|-----------------|-----------------|---------------|---------------|---------------|
| Exchange)          |                 |                 |               |               |               |
| Advance Taxes      | 396.29          | 280.88          | 118.07        |               | 24.01         |
| Service Tax Credit | 6.26            | 0.35            | -             | 1.98          | 0.27          |
| Prepaid Exp        | 24.73           | 23.36           | 21.81         | 8.22          | 9.44          |
| Income Tax Refund  | 12.20           | 68.57           | 13.41         | 13.41         | 12.11         |
| TDS Receivable     | 28.86           | 43.76           | 55.28         | 84.48         | 24.26         |
| Other Advances     | -               | 0.77            | 4.48          | 1.10          | 2.95          |
| <b>Total</b>       | <b>1,476.68</b> | <b>1,632.24</b> | <b>581.26</b> | <b>383.49</b> | <b>517.97</b> |

Note:-

1. None of the Short term loans and advances are recoverable from Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
4. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – N**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. in Lacs)

| PARTICULARS               | As at        |              |              |             |             |
|---------------------------|--------------|--------------|--------------|-------------|-------------|
|                           | 31-03-2017   | 31-03-2016   | 31-03-2015   | 31-03-2014  | 31-03-2013  |
| Security Deposit          | -            | -            | -            | -           | -           |
| TDS Receivable            | -            | -            | -            | -           | -           |
| Misc. Expenses            | -            | -            | -            | -           | 0.25        |
| Brokerage                 | 6.82         | 17.43        | -            | -           | -           |
| Interest Accrued on FDR's | 13.60        | 37           | 25.72        | 5.30        | 2.36        |
| <b>Total</b>              | <b>20.42</b> | <b>54.68</b> | <b>25.72</b> | <b>5.30</b> | <b>2.60</b> |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – O**  
**STATEMENT OF OTHER INCOME**

(Amt. in Lacs)

| Particulars                    | For the year ended |               |               |              |               |
|--------------------------------|--------------------|---------------|---------------|--------------|---------------|
|                                | 31-03-2017         | 31-03-2016    | 31-03-2015    | 31-03-2014   | 31-03-2013    |
| Related and Recurring Income:  |                    |               |               |              |               |
| Interest Income                | 362.95             | 402.00        | 152.48        | 74.76        | 116.49        |
| User ID Charges Received       | 11.87              | 31.98         | 22.82         | 14.32        | 21.80         |
| Profit on sale Of Fixed Assets | 3.30               | (0.05)        | -             | 2.63         | -             |
| Profit on sale Of Investment   | -                  | -             | 152.00        | -            | 90.13         |
| None                           | -                  | -             | -             | -            | -             |
| <b>Total</b>                   | <b>378.12</b>      | <b>433.93</b> | <b>327.30</b> | <b>91.71</b> | <b>228.42</b> |

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



**ANNEXURE –P  
STATEMENT OF TURNOVER**

(Amt. in Lacs)

| Particulars                                       | For the year ended |                 |                 |                 |                 |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|
|   | 31-03-2017         | 31-03-2016      | 31-03-2015      | 31-03-2014      | 31-03-2013      |
| a.)Brokerage/Incentive Income                     | 652.01             | 850.74          | 1,121.41        | 1,181.31        | 470.01          |
| b.)Income From Investment of Mutual Funds \shares | 20.76              | 30.48           | 10.90           | -               | -               |
| c.)Transaction Charges Received                   | 180.22             | 539.67          | 185.09          | 61.39           | 25.17           |
| d.)Profit on Own Trading                          | 9,758.70           | 5,530.02        | 1,677.57        | 565.12          | 1,003.15        |
| e.)Dividend Income                                | 4.74               | 1.38            | -               | -               | -               |
| f.)Revenue from Depository Operations             | 19.55              | 12.79           | 14.81           | 12.89           | 9.99            |
| <b>Total</b>                                      | <b>10,635.98</b>   | <b>6,965.07</b> | <b>3,009.78</b> | <b>1,820.72</b> | <b>1,508.32</b> |

\*As per information provided to us by the Issuer, there is no such item.

**ANNEXURE – Q  
STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Amt. in Lacs)

| Particulars  | As at      |            |            |            |            |
|--|------------|------------|------------|------------|------------|
|  | 31-03-2017 | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013 |
| Net Worth (A)  | 3304.22    | 2,490.41   | 1,739.19   | 1,311.32   | 1,254.28   |
| Restated Profit after tax  | 813.82     | 627.75     | 334.71     | 57.04      | 144.75     |
| Less: Prior Period Item  | -          | -          | -          | -          | -          |
| Adjusted Profit after Tax (B)  | 813.82     | 627.75     | 334.71     | 57.04      | 144.75     |
| Number of Equity Share outstanding as on the End of Year/Period ( C)               | 46.23      | 46.23      | 42.45      | 39.37      | 39.37      |
| Weighted average no of Equity shares at the time of end of the year                | 184.93     | 183.19     | 178.63     | 178.06     | 178.06     |
| Current Assets (G)   | 6,721.42   | 7,065.05   | 4,470.22   | 3,587.54   | 2,435.91   |
| Current Liabilities (H)  | 6,951.67   | 5,224.86   | 3,451.74   | 2,851.49   | 2,040.90   |
| Face Value per Share (in Rs.)  | 10.00      | 10.00      | 10.00      | 10.00      | 10.00      |
| Restated Basic and Diluted Earning Per Share (Rs.) (B/D) Refer Note 1 given below  | 4.40       | 3.43       | 1.87       | 0.32       | 0.81       |
| Return on Net worth (%) (B/A)  | 24.63      | 25.21      | 19.25      | 4.35       | 11.54      |
| Net asset value per share (A/C)  | 71.47      | 53.87      | 40.97      | 33.31      | 31.86      |
| Adjusted Net asset value per share based on Weighted average number of share (A/D) | 17.87      | 13.59      | 9.74       | 7.36       | 7.04       |
| Current Ratio (G/H)  | 0.97       | 1.35       | 1.30       | 1.26       | 1.19       |

Note:-

- Earnings per share = Profit available to equity shareholders/ weighted average number of outstanding of equity shares during the year. For the purpose of calculating of weighted average number of shares outstanding prior to Bonus Shares and Right Issue, for the earlier years, Ratio of bonus and right factor applied on closing number of share outstanding as on the end of respective years.
- Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year.
- Weighted Average number of outstanding Equity Shares has been calculated in terms of the requirement of Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.
- Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
- Current Ratio= Current Assets/ Current Liabilities.
- The company does not have any revaluation reserves or extraordinary items
- As there is no dilutive capital in the company, Basic and Diluted EPS are similar.





8. Net Profit, before extra ordinary items as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.
9. Net asset value per share (Face value of Rs. 10 Each) has been computed considering the outstanding number of share as at the end of year.
10. Net worth for ratios mentioned represent equity share capital and reserves and surplus. Refer Annexure A for components of Reserves and Surplus.

**ANNEXURE – R**  
**STATEMENT OF RELATED PARTY TRANSACTION**

| a) | Names of the related parties with whom transaction were carried out during the years and description of relationship: |  |
|----|---|--|
| 1) | Company/entity owned or significantly influenced by directors/ KMP  | Windpipe finvest Private Limited<br>Algowire Trading Technologies private Limited<br>Share India Securities (IFSC) Pvt Ltd<br>Share India Fivest Pvt Ltd<br>Skyvell Trade Solutions LLP<br>Share India Commodity Brokers Private Limited<br>Anmol Financial Services Limited |
| 2) | Key Management Personnel's  | Parveen Gupta<br>Yash pal Gupta<br>Rajesh kumar Gupta<br>Sachin Gupta<br>Saroj Gupta   |
| 3) | Relative of Key Management Personnel's:   | Agam Gupta<br>Prachi Gupta<br>Prerna gupta<br>Rachit Gupta<br>Rekha Gupta<br>Rohin Gupta<br>Saurabh Gupta<br>Sonam Gupta<br>Suman Gupta<br>Tripti Gupta<br>Sukriti Gupta<br>Yash Pal gupta -HUF  |
| 4) | Directors:  | Parveen Gupta<br>Rajesh kumar Gupta<br>Saroj Gupta<br>Yashpal Gupta<br>Sachin Gupta  |

**1. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP**  
(Amt. in Lacs)

| Sr. No. | Nature of Transaction                 | years         |              |             |             |             |
|---------|---------------------------------------|---------------|--------------|-------------|-------------|-------------|
|         |                                       | 31-03-2017    | 31-03-2016   | 31-03-2015  | 31-03-2014  | 31-03-2013  |
|         | <b>Directors remuneration</b>         | <b>124.80</b> | <b>16.80</b> | <b>4.26</b> | <b>5.58</b> | <b>8.58</b> |
|         | Parveen Gupta                         | 21.60         | 4.13         | 2.40        | 1.86        | 1.86        |
|         | Rajesh Kumar                          | 21.60         | 2.90         | 0.00        | 1.86        | 1.86        |
|         | Yash pal Gupta                        | 21.60         | 4.02         | 1.86        | 1.86        | 1.86        |
|         | Saurabh Gupta                         | 18.00         | 0.00         | -           | -           | 3.00        |
|         | Saroj Gupta                           | 21.60         | 3.90         | -           | -           | -           |
|         | Sachin Gupta                          | 20.40         | 1.86         | -           | -           | -           |
|         | <b>Loan Given</b>                     | <b>5.46</b>   | -            | -           | -           | -           |
|         | Share India Securities (IFSC) Pvt Ltd | 5.46          | -            | -           | -           | -           |



|  |   |                |                |               |                 |                |
|--|---|----------------|----------------|---------------|-----------------|----------------|
|  | <b>Loan Taken</b>   | <b>1679.00</b> | <b>1217.75</b> | <b>683.46</b> | <b>13.86</b>    | <b>6916.21</b> |
|  | Windpipe Finevest Pvt Ltd   | 1679.00        | 1217.75        | 683.46        | 0.11            | 6902.46        |
|  | Anmol Financial Services Ltd  |                |                |               | 13.75           | 13.75          |
|  |   |                |                |               |                 |                |
|  | <b>Loan Repaid</b>  | <b>-</b>       | <b>1217.75</b> | <b>683.46</b> | <b>10958.80</b> | <b>0</b>       |
|  | Windpipe Finvest Pvt Ltd  | -              | 1217.75        | 683.46        | 10958.80        | -              |
|  |   |                |                |               |                 |                |
|  | <b>Brokerage Received From Related Party</b>  | <b>117.61</b>  | <b>91.82</b>   | <b>40.81</b>  | <b>49.93</b>    | <b>0</b>       |
|  | Algowire Trading Technologies Pvt Ltd   | 96.77          | 89.11          | 0.00          | -               | -              |
|  | Share India Commodity Brokers Pvt Ltd   | 0.00           | 2.71           | 40.81         | 49.93           | -              |
|  | Skyvell Trade Solutions LLP   | 20.84          | -              | -             | -               | -              |
|  |   |                |                |               |                 |                |
|  | <b>Interest Paid</b>  | <b>77.53</b>   | <b>15.03</b>   | <b>0.94</b>   | <b>1.84</b>     | <b>16.79</b>   |
|  | Windpipe Finevest Pvt Ltd   | 77.53          | 15.03          | 0.94          | 1.84            | 16.79          |
|  |   |                |                |               |                 |                |
|  | <b>Rent Payment</b>   | <b>16.62</b>   | <b>0.91</b>    | <b>5.40</b>   | <b>-</b>        | <b>-</b>       |
|  | Rajesh kumar  | 4.50           | -              | 1.80          | -               | -              |
|  | Praveen gupta   | 4.50           | -              | 1.80          | -               | -              |
|  | Yashpal Gupta   | 4.50           | -              | 1.80          | -               | -              |
|  | Sachin Gupta -HUF   | 1.62           | 0.41           | -             | -               | -              |
|  | Yashpal Gupta- HUF  | 1.50           | 0.50           | -             | -               | -              |
|  |   |                |                |               |                 |                |
|  | <b>License Fees</b>   | <b>0</b>       | <b>72.87</b>   | <b>-</b>      | <b>-</b>        | <b>-</b>       |
|  | Algowire Trading Technologies Pvt Ltd   | -              | 72.87          | -             | -               | -              |
|  |   |                |                |               |                 |                |
|  | <b>Salary Payment</b>   | <b>367.39</b>  | <b>14.66</b>   | <b>3.50</b>   | <b>3.00</b>     | <b>0</b>       |
|  | Saurabh Gupta   | -              | 1.22           | -             | 3.00            | 0              |
|  | Prachi Gupta  | 46.60          | 6.00           | 3.50          | -               | -              |
|  | Agam Gupta  | 55.07          | 0.93           | -             | -               | -              |
|  | Prena Gupta   | 26.20          | 0.93           | -             | -               | -              |
|  | Rachit Gupta  | 28.37          | 0.93           | -             | -               | -              |
|  | Rekha Gupta   | 35.47          | 0.93           | -             | -               | -              |
|  | Roheen Gupta  | 53.77          | 0.93           | -             | -               | -              |
|  | Sonam Gupta   | 52.37          | 0.93           | -             | -               | -              |
|  | Suman Gupta   | 33.67          | 0.93           | -             | -               | -              |
|  | Tripti Gupta  | 35.87          | 0.93           | -             | -               | -              |
|  |   |                |                |               |                 |                |
|  | <b>Consultancy</b>  | <b>4.20</b>    | <b>4.20</b>    | <b>4.20</b>   | <b>4.20</b>     | <b>4.20</b>    |
|  | Sukriti Gupta   | 4.20           | 4.20           | 4.20          | 4.20            | 4.20           |
|  |   |                |                |               |                 |                |
|  | <b>Corporate Guarantee from enterprises in which relative of Key Management Personnel having significant influence.</b> | <b>-</b>       | <b>-</b>       | <b>-</b>      | <b>-</b>        | <b>-</b>       |

## Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnel's, and Relative of Key Management Personnel's have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – S**  
**STATEMENT OF CAPITALISATION**

(Amt. in Lacs)

| Particulars                            | Pre-Issue  | Post-Issue |
|--|------------|------------|
|  | 31-03-2017 |            |
| Debt                                   |            |            |
| Short Term Debt                        | 3,017      | -          |
| Long Term Debt                         | 64         | -          |
| Total Debt                             | 3,081      | -          |
| Shareholders' Fund (Equity)            |            |            |
| Share Capital                          | 462        | -          |
| Reserves & Surplus                     | 2842       | -          |
| Less: Miscellaneous Expenses not w/off | -          |            |
| Total Shareholders' Fund (Equity)      | 3304       | -          |
| Long Term Debt/Equity                  | 0.02       | -          |
| Total Debt/Equity                      | 0.93       | -          |

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2017.
4. For calculation of post offer capitalisation statement. The figures of short term/long term debt as appearing on 31.03.2017 have only been considered.

**ANNEXURE – T**  
**STATEMENT OF TAX SHELTER**

(Amt. in Lacs)

| Particulars  | As at      |            |            |            |            |
|--|------------|------------|------------|------------|------------|
|  | 31/03/2017 | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013 |
| Net Profit/(Loss) before taxes (A)   | 1239.51    | 937.09     | 462.82     | 88.30      | 189.38     |
| Tax Rate Applicable %  | 34.608%    | 33.068%    | 32.45%     | 30.90%     | 32.45%     |
| Minimum Alternate Taxes (MAT)  | 18.50%     | 18.50%     | 18.50%     | 18.50%     | 18.50%     |
| Adjustments  |            |            |            |            |            |
| Add: Depreciation as per companies act, 1956/2013  | 184.97     | 158.89     | 101.00     | 46.45      | 40.58      |
| Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS and Service Tax | 0          | 0          | 0          | 0.70       | 0.06       |
| Add: Expenditure on Account of Interest on Delay payment of Income Tax   | 0          | 0          | -          | -          | -          |
| Add: Donation Paid not Allowed Under Income Tax (Net of Deduction Available if any)                                  | -          | -          | 1.61       | 0.27       | 0          |
| Add: Loss on sale of Fixed Assets  | -          | 0.22       | 0          | -          | -          |
| Add: Expenses on Which TDS not Deducted  | 0.18       | 0          | -          | 0          | 0          |
| Add: Penalties under Various laws  | 0.00       | 0          | -          | -          | 0          |
| Add: Various Expenditure Disallowed  |            |            | -          | 0          | 0          |
| Add: Bonus Not paid up to due date during the year - Disallowed u/s 43B (b)  | -          | -          | 0          | -          | -          |
| Add: Provision for Gratuity - Disallowed u/s 43B (b)   | 31.08      | 17.61      | 4.64       | 15.56      | 18.73      |
| Add: TDS Defaults as per 26AS  | -          | -          | -          | -          | -          |
| Add: Income Tax  |            | 0          | 0          | 2.21       | 0          |



|   |                |                |               |              |               |
|---|----------------|----------------|---------------|--------------|---------------|
| Add: Preliminary Expenses disallowed as per Income Tax Act, 1961                    |                |                |               |              | -             |
| Less: Depreciation as per Income Tax Act, 1961                                      | 56.42          | 13.36          | 93.87         | 58.89        | 30            |
| Less : Long term Capital Gain   | -              | 0.04           | 152.00        | -            | 90.13         |
| Less: Profit on sale of Fixed Assets  | 0              | 0              |               | -            |               |
| Less:- Dividend Income (Exempt)   | -              | 1.38           | -             | -            | -             |
| Net Adjustments (B)   | 159.81         | 161.94         | (138.19)      | 6.31         | (60.45)       |
| Business Income (A+B)   | 1399.32        | 1099.03        | 324.63        | 94.61        | 128.92        |
| Less- Deduction under Sec 35 AD   | -              | -              |               |              |               |
| <b>Total Taxable Income</b>   | <b>1399.32</b> | <b>1099.03</b> | <b>324.63</b> | <b>94.61</b> | <b>128.92</b> |
| Tax Payable as per Normal Rate  | 484.28         | 363.43         | 105.33        | 29.23        | 41.83         |
| Tax Payable as per Special Rate   | -              | -              | -             | -            | -             |
| Tax as per Income Tax (C )  | 484.28         | 363.43         | 105.33        | 29.23        | 41.83         |
| Book Profits for MAT  |                |                |               |              |               |
| - net profit as per P&L   | 1239.51        | 937.09         | 462.82        | 88.30        | 189           |
| - interest disallowed   | -              | -              | -             | 0.70         | 0             |
| - Deferred Tax Liability created during the year                                    | -              |                |               |              |               |
| - TDS defaults as per 26AS  | -              | -              | -             | -            | -             |
| Total Book Profit for MAT   | 1239.51        | 937.09         | 462.82        | 89.00        | 189.44        |
| Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D) | 229.31         | 173.36         | 85.62         | 16.47        | 35.05         |
| Net Tax (Higher of C & D)   | 484.28         | 363.43         | 105.33        | 29.23        | 41.83         |
| Opening Balance of Mat Credit   | -              |                | -             | -            | -             |
| Mat Credit Available for Subsequent Year out of CY Taxes                            | -              | -              | -             | -            | -             |
| Cumulative MAT Credit Availment   | -              | -              | -             | -            | -             |
| MAT Credit Utilization  | -              | -              | -             | -            | -             |
| Current tax as per restated Statement of Profit & Loss                              | 447.30         | 321.36         | 128.28        | 29.20        | 41.83         |

## Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company, Income Tax Depreciation was recalculated due to regrouping of Assets and capitalization of few payment expenses from Revenue to Fixed Assets, due to which depreciation was recalculated and revised depreciation considered for above calculation.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – U**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Amt. in Lacs)

| Particulars   | As at      |            |            |            |            |
|---|------------|------------|------------|------------|------------|
|   | 31/03/2017 | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013 |
| Contingent liabilities in respect of:                     |            |            |            |            |            |
| Claims against the company not acknowledged as debts      | -          | -          | -          | -          | -          |
| Bank Guarantee issue to third Parties by Bank             | 3,080      | 1,570      | 1,570      | 570        | 435.00     |
| Guarantees given for others                               | -          | -          | -          | -          | -          |
| Buyers Credit in Foreign Currency                         | -          |            |            |            |            |
| Other moneys for which the company is contingently liable | -          | -          | -          | -          | -          |
| Commitments (LC issued to third parties by Bank)          | -          | -          | -          | -          | -          |
| Estimated amount of contracts                             | -          | -          | -          | -          | -          |



|  |                 |                 |                 |               |               |
|--|-----------------|-----------------|-----------------|---------------|---------------|
| remaining to be executed on capital account and not provided for |                 |                 |                 |               |               |
| Uncalled liability on shares and other investments partly paid   | -               | -               | -               | -             | -             |
| Other Claims against the company under appeal                    | 8.96            | 8.96            | 8.96            | 8.96          | 8.96          |
| <b>Total</b>   | <b>3,088.96</b> | <b>1,578.96</b> | <b>1,578.96</b> | <b>578.96</b> | <b>443.96</b> |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – V**  
**STATEMENT OF CURRENT INVESTMENT**

(Amt. in Lacs)

| PARTICULARS                   | As at        |            |            |            |              |
|-------------------------------|--------------|------------|------------|------------|--------------|
|                               | 31-03-2017   | 31-03-2016 | 31-03-2015 | 31-03-2014 | 31-03-2013   |
| Investment in Unquoted shares | -            | -          | -          | -          | -            |
| Bharat nidhi Ltd.             | -            | -          | -          | 19         | 19.00        |
| Camac Commercial              | -            | -          | -          | 22         | 22.00        |
|                               |              |            |            |            |              |
| Investment in Equity shares   | 16           |            |            |            |              |
| Investment in Mutual fund     | 2,305        |            | 300        |            |              |
| <b>Total</b>                  | <b>2,321</b> | <b>-</b>   | <b>300</b> | <b>41</b>  | <b>41.00</b> |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



**AUDITOR'S REPORT ON CONSOLIDATED RESTATED FINANCIAL STATEMENT**

To,  
The Board of Directors,  
Share India Securities Limited,  
6th Milestone, New Bhai-Chara Complex, Opp Mata Mandir, Chikambarpur UP Border,  
Sahibabad, U.P-201006,

Dear Sirs,

**Report on Consolidated Restated Financial Statement**

1. We have examined the attached Consolidated Restated Statement of Assets and Liabilities of Share India Securities Limited as at 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016, the related Consolidated Restated Statement of Profit & Loss and Consolidated Restated Statement of Cash Flow for the period ended on 31<sup>st</sup> March 2017, and financial year ended on 31<sup>st</sup> March 2016 (collectively the "Restated Summary Statements" or Restated Financial Statements"). These Restated summary Statements have been prepared by the company and as approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on the SME Platform of BSE Limited ("BSE").
2. These Restated Summary Statements has been prepared in accordance with the requirements of:
  - i. Section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of companies Act, 2013, as amended (hereinafter referred to as the "Act") and
  - ii. Item (IX) of Part (B) of schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, As amended (The "SEBI Regulation") issued by the SEBI.
  - iii. The terms of reference to our engagements with the company requesting us to carry out the assignment, in connection with the Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited ("IPO" of "SME IPO"): and
  - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").
  - v. In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, Narendra Sharma & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid Certificate No. 008466 dated 16.08.2015 issued by the "Peer Review Board" of the ICAI.
3. The Consolidated Restated Summary Statements and Financial information of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended on 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 which have been approved by the Board of Directors.
4. Consolidated Financial Statements for the period ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 have been audited by M/s T.K. Gupta & Associates, and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. We have carried out the reaudit of the financial statement for the period ended 31<sup>st</sup> March 2017 as required by SEBI regulations.

**C. Financial Information as per Audited Financial Statements:**

5. We have examined:
  - a. The attached Consolidated Restated Statements of Assets and Liabilities of the company, as at 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 (**Annexure I**);
  - b. The attached Consolidated Restated Statement of Profits and Losses of the company for the period ended on 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 (Annexure II);
  - c. The attached Consolidated Restated Statement of Cash Flows of the company for period ended on 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 (Annexure III);
  - d. The Significant Accounting Policies adopted by the company and notes to consolidated Restated Financial Statements along with adjustments on account of audit qualifications/ adjustments /regroupings.(Annexure IV);



6. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
- i. The “Restated Consolidated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the company as at 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 are prepared by the company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this report.
  - ii. The “Restated Consolidated Statement of Profit and Loss” as set out in Annexure II to this report, of the company for the period ended on 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 are prepared by the company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - iii. The “Restated Consolidated Statement of Cash Flow “ as set out in Annexure III to this report, of the company for the period ended on 31<sup>st</sup> March 2017 & 31<sup>st</sup> March 2016 prepared by the company and approved by the Board of Directors. This Statement of Cash flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by the Statutory Auditor of the Company for the period ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 we are of the opinion that **“Restated Consolidated Financial Statements” or “Restated Consolidated Summary Statements”** have been made after incorporating:

- (2) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all reporting periods.
  - a) Adjustments for any prior period material amounts in the respective financial years have been made to which they relate; and
  - b) There are no Extra-ordinary items except as shown in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.
  - c) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the consolidated Restated Financial Statements.
  - e) There are no change in accounting policies, which needs to be adjusted in the “Restated Consolidated Financial Statements” except for provision for Gratuity which has not been provided on the mercantile basis. These adjustments have been made retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods with consequential impact.
  - f) There is no revaluation reserve, which needed to be disclosed separately in the Restated Financial Statement in the respective financial years.
  - g) The company has not paid any dividend on its equity shares till June 31<sup>st</sup> March 2017.

**D. Other Financial Information:**

7. We have also examined the following consolidated financial information as set out in annexure prepared by the Management and as approved by the Board of directors of the company for period ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016.

|  |                           |
|--|---------------------------|
| Restated Consolidated Statement of Share Capital, Reserves and surplus | Annexure-A                |
| Restated Consolidated Statement of Long Term and Short term Borrowings | Annexure-B, B(A) and B(B) |





|  |             |
|--|-------------|
| Restated Consolidated Statement of deferred Tax (Assets)/Liabilities                   | Annexure-C  |
| Restated Consolidated Statement of Long Term Provisions                                | Annexure-D  |
| Restated Consolidated Statement of Trade Payables                                      | Annexure-E  |
| Restated Consolidated Statement of other Current Liabilities and Short Term Provisions | Annexure-F  |
| Restated Consolidated Statement of Fixed Assets  | Annexure-G  |
| Restated Consolidated Statement of Non- Current Investments                            | Annexure-H  |
| Restated Consolidated Statement Long term Loans and Advances                           | Annexure-I  |
| Restated Consolidated Statement of Inventory   | Annexure-J  |
| Restated Consolidated Statement of Trade Receivables                                   | Annexure-K  |
| Restated Consolidated Statement of Cash & Cash Equivalents                             | Annexure-L  |
| Restated Consolidated Statement of Short-Term Loans and Advances                       | Annexure-M  |
| Restated Consolidated Statement of other Current Assets                                | Annexure-N  |
| Restated Consolidated Statement of other Income  | Annexure-O  |
| Restated Consolidated Statement of Turnover  | Annexure-P  |
| Restated Consolidated Statement of Mandatory Accounting Ratios                         | Annexure-Q  |
| Restated Consolidated Statement of Related party transaction                           | Annexure-R  |
| Restated Consolidated Statement of Capitalization                                      | Annexure-S  |
| Restated Consolidated Statement of Tax shelter   | Annexure-T  |
| Restated Consolidated Statement of Contingent liabilities                              | Annexure-U  |
| Restated consolidated Statement of Current Investment                                  | Annexure- V |

8. The Restated Consolidated Financial Information contain all the disclosures required by the Accounting Standards notified under the Companies Act, 1956 of India read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Act.
9. We have carried out re-audit of the consolidated financial statements for the period ended March 31<sup>st</sup>, 2017 as required by SEBI regulations. We have not audited any financial statements of the company as of any date of for any period subsequent to March 31<sup>st</sup>, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the company as of any date or for any period subsequent to March 31<sup>st</sup>, 2017.
10. The preparation and presentation of the consolidated financial statements referred to above are based on the Audited financial statements of the company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the company.
11. In our opinion, the above financial information contained in Annexure I to III and Annexure A to U of this report read along with the restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agree with you.
12. Consequently the Consolidated financial information has been prepared after making such regroupings and adjustments as were, in our opinion considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
13. The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for proposed Issue of Equity Shares of the company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these restated consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform



the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated consolidated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a. In the case of Restated Consolidated Statement of Assets and Liabilities of the Company as at 31<sup>st</sup> March 2017 and March 31, 2016;
- b. In the case of the Restated Consolidated Statement of Profit and Loss, of the profit of the Company for the Years ended on that date; and
- c. In the case of the Restated Consolidated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

**For Narendra Sharma & Co.**  
**Chartered Accountants**  
**FRN:004983C**

**CA Yogesh Gautam**  
**Partner**  
**Membership No. 72676**  
**Date: 08.08.2017**  
**Place: Jaipur**



**ANNEXURE – I**  
**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(Amt. in Lacs)

| Particulars                                      | As at           |                |
|--|-----------------|----------------|
|  | 31-Mar-17       | 31-Mar-16      |
| <b>I. EQUITY AND LIABILITIES</b>                 |                 |                |
| <b>Shareholder's Funds</b>                       |                 |                |
| Share Capital                                    | 462.31          | 462.31         |
| Reserves and Surplus                             | 2867.35         | 2069.00        |
| Money received against share warrants            | -               | -              |
| <b>Share Application Money Pending Allotment</b> | -               | -              |
| <b>Non Current Liabilities</b>                   |                 |                |
| Long-term Borrowings                             | 35.51           | 39.49          |
| Deferred tax liabilities (Net)                   | -               | -              |
| Other Long Term Liabilities                      | 12.42           | 343.52         |
| Long-term Provisions                             | 81.59           | 52.56          |
| <b>Current Liabilities</b>                       |                 |                |
| Short-term Borrowings                            | 3016.82         | 2030.47        |
| Trade Payables                                   | 2349.38         | 1839.79        |
| Other Current Liabilities                        | 1140.83         | 1030.37        |
| Short-term Provisions                            | 450.61          | 324.23         |
| <b>Total</b>                                     | <b>10416.83</b> | <b>8191.77</b> |
| <b>II. Assets</b>                                |                 |                |
| <b>Non Current Assets</b>                        |                 |                |
| Fixed assets                                     |                 |                |
| (i) Tangible Assets                              | 747.70          | 723.03         |
| (ii) Intangible Assets                           | 68.62           | 32.71          |
| (iii) Capital Work-In-Progress                   | -               | -              |
| (iv) Intangible Assets Under Development         | -               | -              |
| <b>Non Current Investments</b>                   | 161.19          | 159.36         |
| <b>Deferred Tax Assets (Net)</b>                 | 59.30           | 36.85          |
| <b>Long-term Loans and Advances</b>              | 216.30          | 174.77         |
| <b>Other Non Current Assets</b>                  | -               | -              |
| <b>Current assets</b>                            |                 |                |
| Current Investments                              | 2321.47         | 0.00           |
| Inventories                                      | 405.26          | 216.41         |
| Trade Receivables                                | 1577.76         | 1850.08        |
| Cash and Cash Equivalents                        | 3304.67         | 3311.65        |
| Short-term Loans and Advances                    | 1531.79         | 1632.24        |
| Other Current Assets                             | 22.76           | 54.68          |
| <b>Total</b>                                     | <b>10416.83</b> | <b>8191.77</b> |

Note:-

- The above statement should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures IV, II and III.



**ANNEXURE II**  
**RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(Amt. in Lacs)

| Particulars  |          | For the Year ended |                 |
|--|----------|--------------------|-----------------|
|  |          | 31-03-2017         | 31-03-2016      |
| Revenue from Operations (Gross)  |          | 10631.00           | 6,965.07        |
| Other income   |          | 378.12             | 433.93          |
| <b>Total Revenue</b>   | <b>A</b> | <b>11009.11</b>    | <b>7,399.00</b> |
| Expenses:  |          |                    |                 |
| Cost of Operations   |          | 6777.24            | 4,604.37        |
| Employee benefits expense  |          | 1,812.71           | 921.03          |
| Finance costs  |          | 325.02             | 335.33          |
| Depreciation and amortization expense                                      |          | 184.97             | 158.89          |
| Other expenses   |          | 681.83             | 442.30          |
| <b>Total Expenses</b>  | <b>B</b> | <b>9781.75</b>     | <b>6,461.91</b> |
| Profit before exceptional and extraordinary items and tax (A-B)            | <b>C</b> | 1227.36            | 937.09          |
| Exceptional/Prior Period item  |          | -                  | -               |
| Profit before extraordinary items and tax                                  |          | 1227.36            | 937.09          |
| Extraordinary item   |          | -                  | -               |
| Profit Before Tax  |          | 1227.36            | 937.09          |
| Provision for Tax  |          |                    |                 |
| - Current Tax  |          | 447.30             | 321.36          |
| (2) Wealth Tax   |          | -                  | -               |
| - Deferred Tax Liability / (Asset)   |          | (22.45)            | (12.02)         |
| - MAT Credit Entitlement   |          | -                  | -               |
| - MAT Credit Utilised  |          | -                  | -               |
| -Short/(Excess) Tax adjustment of prior years                              |          | -                  | -               |
| <b>Restated profit after tax for the period from continuing operations</b> |          | <b>802.51</b>      | <b>627.75</b>   |
| Profit/ (Loss) from Discontinuing operation                                |          | -                  | -               |
| Tax expenses of discontinuing operations                                   |          | -                  | -               |
| <b>Restated profit for the period</b>                                      |          | <b>802.51</b>      | <b>627.75</b>   |

Note:

- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, and cash flows appearing in Annexures IV, I and III.



**ANNEXURE III**  
**RESTATED CONSOLIDATED CASH FLOW STATEMENT**

(Amt. in Lacs)

| Particulars   | For the Year ended |                   |
|---|--------------------|-------------------|
|   | 31-03-2017         | 31-03-2016        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                    |                   |
| <b>Net Profit before tax</b>  | 1227.36            | 937.09            |
| Adjustment for :  |                    |                   |
| Interest on Fixed Deposit   |                    | -                 |
| Dividend Income   |                    | -                 |
| Depreciation  | 184.97             | 158.89            |
| Preliminary Exp. Paid in cash during year   |                    |                   |
| Provision of Gratuity   | -                  | -                 |
| Loss on foreign Exchange Fluctuation  | (6.00)             |                   |
| Loss / (Profit) on sale of Fixed Assets   | (3.30)             | 0.05              |
| Transition Period Adjustment  |                    |                   |
| Balance Write off   |                    |                   |
| Interest on Borrowed Fund   |                    | -                 |
|   |                    |                   |
| <b>Operating profit before working capital changes</b>                                      | 1403.04            | 1,096.02          |
| <b>Adjustment for :</b>   |                    |                   |
| (Increase)/Decrease in Inventories  | (188.86)           | (128.14)          |
| (Increase)/Decrease in Trade Receivables  | 272.32             | (270.44)          |
| (Increase)/Decrease in Short Term loans and advances  | 100.44             | (1050.98)         |
| (Increase)/Decrease in Other Current Assets   | (2289.55)          | 271.03            |
| (Increase)/Decrease in Long Term loans and advances   | (41.53)            | 52.00             |
| Increase/(Decrease) in trade payables   | 509.59             | 907.08            |
| Increase/(Decrease) in tax provisions   | 126.38             | 187.59            |
| Increase/(Decrease) in other current liabilities  | (191.63)           | 276.26            |
|   |                    |                   |
| <b>Cash generated from / (used in) operations</b>   | <b>(299.80)</b>    | <b>1340.42</b>    |
| Income Tax paid   | 447.30             | 321.36            |
| <b>Net cash generated from/(used in) operating activities - (A)</b>                         | <b>(747.10)</b>    | <b>1019.07</b>    |
|   |                    |                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |                    |                   |
| Purchase of tangible fixed assets   | (247.85)           | (216.03)          |
| Sale (Purchase) of long-term investments  | -                  | -                 |
| Sale of tangible fixed assets   | 5.60               | 6.08              |
| Interest Income on Fixed Deposit  |                    | -                 |
| Dividend Income   |                    |                   |
| <b>Net cash (used in) Investing Activities - (B)</b>  | <b>(242.25)</b>    | <b>(209.96)</b>   |
|   |                    |                   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |                    |                   |
| Proceeds from issue of Share Capital/ Share Application Money (Including Application Money) | -                  | 37.82             |
| Proceeds from issuance of share capital Share Premium                                       | -                  | 86.99             |
| Proceeds / Repayment of borrowings  | 982.38             | 182.38            |
| Interest on Borrowed Fund   |                    | -                 |
| Proposed Dividend Paid (Including Dividend Distribution Tax)                                | -                  | -                 |
| <b>Net cash(used in) / from financing activities - (C)</b>                                  | <b>982.38</b>      | <b>307.19</b>     |
|   |                    |                   |
| <b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>                       | <b>(6.98)</b>      | <b>1,116.30</b>   |
| Cash and cash equivalents at the beginning of the year                                      | 3,311.65           | 2,195.35          |
| Cash and cash equivalents at the end of the year  | 3304.67            | 3,311.65          |
| <b>Cash and cash equivalents at the end of year comprises :</b>                             |                    |                   |
| <b>1. Components of cash and cash equivalents:</b>  |                    |                   |
| <b>Particulars</b>  | <b>31-03-2017</b>  | <b>31-03-2016</b> |
| Cash on hand  | 5.31               | 4.69              |



|  |                |                 |
|--|----------------|-----------------|
| Balances with scheduled banks:         |                |                 |
| In current accounts                    | 293.87         | 138.71          |
| in Deposits with Scheduled Bank        | 3005.49        | 3,168.25        |
| <b>Total Cash and cash equivalents</b> | <b>3304.67</b> | <b>3,311.65</b> |

Note:

4. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement, specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).
5. Figures in Brackets represents outflow.
6. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses as appearing in Annexures IV, I and II.



**ANNEXURE-IV**

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

**C. BACKGROUND**

Our Company was originally incorporated on July 12, 1994 as “FMS Securities Limited” vide Registration no. 02-04175/1994-95 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong. Pursuant to scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon’ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited, vide a fresh certificate of Incorporation pursuant to change of name dated July 15, 2010 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 having CIN U67120UP1994PLC050209. Our company is currently engaged in the business of equity broking, investing and trading activities. Along with this we are also providing the services as a Depository Participant, Research Analyst, and Mutual Fund Advisor/Distributor.

Details of Subsidiary and Associate company:-

4. Share India Finvest Private Limited (Wholly Owned Subsidiary)
5. Share India Securities (IFSC) Private Limited (Wholly Owned Subsidiary)
6. Share India Commodity Brokers Private Limited (Associate Company)

**D. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated consolidated Financial Statements have prepared under the historical cost basis of accounting and evaluated on a going-concern basis, with revenue and expenses accounted for on their accrual to comply in all material aspect with the applicable accounting policies and applicable Accounting Standards notified by companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the companies act, 1956 and the Rules, read with General Circular 15/2013 dated September, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the companies act, 2013.

**2. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

**3. FIXED ASSETS**

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenses related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**4. DEPRECIATION**

Depreciation on fixed assets has been charged on written down value basis for the assets , pro-rata for the period of use, by adopting the rates of depreciation specified in Schedule XIV of the companies act, 1956 and as per method specified in Schedule-II of The Companies Act, 2013 for the relevant periods.

**5. BORROWING COSTS**



Borrowing costs that is directly attributable to the acquisition or construction of a qualifying asset is considered as part of the cost of the asset. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which incurred.

## **6. IMPAIRMENT OF ASSETS**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

## **7. INVESTMENTS**

There are Long term investments. So Long term Investment is carried at Cost less provision for diminution in the value of each long-term investment made to recognize a decline. The Current investment is valued at cost or fair value.

## **8. INVENTORIES**

The company is providing service of “Share Trading”. Hence AS-2 does not apply on the company. So valuation of inventory is done as per AS-13.

## **9. REVENUE RECOGNITION**

- IV. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- V. Revenue is recognized on net of rate difference and other deductions.
- VI. Other income is accounted for on accrual basis in accordance with Accounting Standards (AS)9-“Revenue Recognition”.

## **10. FOREIGN CURRENCY TRANSACTIONS**

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any income or expenses on account of exchange difference either on settlement or on translation is capitalized where they relate to acquisition of fixed assets in which case they are adjusted with the carrying cost of such assets.

## **11. EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

- V. A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The company makes specified monthly contributions towards Provident Fund. The company’s contributions to Employees Provident Fund are charged to statement of profit and loss every year.
- VI. The company has no policy of encashment and accumulation of Leave. Therefore, no provision of Leave Encashment is being made.
- VII. Employee Gratuity Fund Scheme is the Defined Benefit Plan. Provision for gratuity has been made in the accounts, in case of those employees who are eligible for the retirement benefits. Gratuity is paid at the time of retirement of employees. Provision for gratuity liability is provided based on Actuarial Valuation made.
- VIII. Short term Employee benefits like leave benefit, if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

## **12. ACCOUNTING FOR TAXES ON INCOME**

- IV. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961 after considering tax allowances and exemptions.



- V. Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.
- VI. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a virtual certainty of their realization. Other items are recognized only when there is a reasonable certainty of their realization.

### **13. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- d) Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- e) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- f) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **14. EARNINGS PER SHARE:**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary/exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

### **15. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the company are segregated accordingly.

### **16. GOVERNMENT GRANT**

The company had not received any government grant yet.

### **C. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies except for provision for Gratuity which has been provided on the basis of estimates made by the management rather than cash basis of accounting followed by the company in this regard.

### **D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

- The financial statement including financial information have been prepared after making such regroupings and adjustments considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

## 2. Employee benefits:

The company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

(Amount in Rs.)

| Particulars   | 31/03/2017                    | 31/03/2016               |
|---|-------------------------------|--------------------------|
| <b>1. The amount recognised in the Balance Sheet are as follows:</b>      |                               |                          |
| Present value of funded obligation recognised                             | 8489503                       | 5543709                  |
| <b>Net Liability</b>  |                               |                          |
| <b>2. The Amount recognised in the Profit &amp; loss are as follows:-</b> |                               |                          |
| Current Service Cost  | 2443154                       | 1783593                  |
| Interest on Defined Benefits obligation                                   | 426562                        | 403535                   |
| Net Actuarial Losses/ (Gain) Recognised in year                           | 238561                        | (1872993)                |
| Past Services Cost / benefits paid  | (162483)                      | 0                        |
| Total, Included in "Salaries, Allowances & Welfare"                       | 2945794                       | 314135                   |
| <b>3.Changes in the Present Value of Defined benefit obligation:-</b>     |                               |                          |
| Defined benefit obligation as at the beginning of the year /Period        | 5543709                       | 5229574                  |
| Service Cost  | 2443154                       | 1783593                  |
| Interest Cost   | 426562                        | 403535                   |
| Actuarial Losses / (Gains)  | 238561                        | (1872993)                |
| Past Services Cost / benefits paid  | (162483)                      | 0                        |
| Defined benefit obligation as at the end of the year /Period              | 8489503                       | 5543709                  |
| <b>4.Benefit Description</b>  |                               |                          |
| Benefit type:   | Gratuity Valuation as per Act |                          |
| Retirement Age:   | 58                            | 58                       |
| Vesting Period:   | 5 year                        | 5 year                   |
| The principal actuarial assumptions for the above are:                    |                               |                          |
| Future Salary rise:   |                               |                          |
| Discount rate per annum:  | 7.10%                         | 7.70%                    |
| Attrition rate:   | 10%                           | 10%                      |
| Mortality Rate:   | IALM 2006-08<br>Ultimate      | IALM 2006-08<br>Ultimate |

## 3. Segment Reporting (AS 17)

The company is required to disclose the information required by Accounting Standard-17. No separate segments have, however, been reported as the company does not have more than one business segments within the meaning of Accounting Standard-17, which differ from each other in risk and reward.

## 4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for).

There are no contingent liabilities as on March 31, 2017 except as mentioned in Annexure-U, for any of the years covered by the statements.

## 5. Related Party Disclosure (AS 18)

Related party transactions are already reported as per AS-18 of the companies(Accounting Standards) Rules, 2006 as amended, in the Annexure-R of the enclosed financial statements.

## 6. Accounting for Taxes on Income (AS 22)



Deferred Tax liability/Asset in view of Accounting Standard-22: "Accounting for Taxes on Income" as at the end of the year is reported as under:

| Particulars  | Amount in Rs. Lacs As at |            |
|--|--------------------------|------------|
|  | 31/03/2017               | 31/03/2016 |
| <b>Deferred Tax Liability</b>                      |                          |            |
| Net Block as per Restated accounts                 | 325.88                   | 265.30     |
| Net Block as per Income Tax                        | 342.95                   | 284.04     |
| Timing difference-depreciation                     | (17.06)                  | (18.74)    |
| Deferred Tax Liability (a)                         | (5.90)                   | (6.20)     |
| Preliminary Expenses                               | 2.43                     | -          |
| Gratuity expenses charged to profit and loss       | 29.46                    | 17.61      |
| Business Loss                                      | 15.92                    | 0          |
| Deferred Tax Assets(B)                             | 16.54                    | 5.82       |
| Opening Balance of DTA                             | 36.85                    | 24.83      |
| Cumulative Balance of Deferred Tax Liability (A-B) | 59.30                    | 36.85      |
|  |                          |            |

#### 7. Earnings Per Share (AS 20):

Earnings per share have been calculated is already reported in the Annexure-Q of the enclosed financial statements.

#### 8. Leases (AS19)

##### Finance Lease

Leases which effectively transfer to the company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

##### Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

Operating Leases are mainly in the nature of lease of office premises with no restrictions and are renewable by mutual consent. There are no restrictions imposed by lease arrangements. Lease rental payments made by the company are recognized in the statement profit and loss account in restated financials under the head Other.

#### 10. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS,2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

##### Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/period and its impact on the profit & losses of the company.

| Particulars                          | Amount (In Rs. Lacs) |              |
|--------------------------------------|----------------------|--------------|
|                                      | Year 2016-17         | Year 2015-16 |
| Profit before Tax As Per Audited P&L | 1,227.42             | 959.42       |



|       |                            |               |               |
|-------|----------------------------|---------------|---------------|
| Less: | 1. Gratuity Expenses       | 0.00          | 14.47         |
|       | 2. Depreciation            | 0.06          | 7.87          |
|       | 3. IT paid                 | 447.30        | 321.36        |
|       | 5. DTA/DTL Adjustment      | (22.45)       | (12.02)       |
|       | Total (A)                  | <b>802.51</b> | <b>627.75</b> |
|       | profit As Per Restated P&L | 802.51        | 627.75        |

**Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values.

**For Narendra Sharma & Co.**  
**Chartered Accountants**  
**FRN:004983C**

**CA Yogesh Gautam**  
**Partner**  
**Membership No. 72676**  
**Date: 08.08.2017**  
**Place: Jaipur**



**ANNEXURE A**  
**STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Amt. in Lacs)

| Particulars                                  | As at          |                |
|--|----------------|----------------|
|  | 31-03-2017     | 31-03-2016     |
| <b>Share Capital</b>                         |                |                |
| Authorised Share Capital                     | 600.00         | 600.00         |
| Equity shares of Rs.10 each                  |                |                |
| Share Capital                                |                |                |
| Issued, Subscribed and Paid up Share Capital | 462.31         | 462.31         |
| Equity Shares of Rs. 10 each fully paid up   |                |                |
| Share Capital (in Rs.)                       |                |                |
| Total  | 462.31         | 462.31         |
| Reserves and Surplus                         |                |                |
| A) Capital Reserves                          |                |                |
| As Per Last Financial Statements             |                |                |
| <b>Total (A)</b>                             | -              | -              |
| B) Surplus in Profit and Loss account        |                |                |
| Opening Balance                              | 1857.59        | 1227.50        |
| Add: Profit for the year                     | 802.51         | 627.75         |
| Add: Profit from Associate                   | 1.83           | 3.69           |
| Less: Adjustment Foreign Currency            | 6.00           | -              |
| Less: Adjustment FA Retirement amount        | -              | 1.35           |
| <b>Total (B)</b>                             | <b>2655.94</b> | <b>1857.59</b> |
| C) Securities Premium Account                |                |                |
| Opening Balance                              | 211.41         | 124.42         |
| Add: Issue of Shares                         | -              | 86.99          |
| <b>Total (C)</b>                             | 211.41         | 211.41         |
| <b>Total (A+B+C)</b>                         | <b>2867.35</b> | <b>2069.00</b> |

Note:

- The figures mentioned in the bracket represent absolute number of shares.
- Terms/rights attached to equity shares:
  - The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.
  - In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- The reconciliation of the number of shares outstanding as at: -

| Particulars                              | As at      |            |
|--|------------|------------|
|  | 31-03-2017 | 31-03-2016 |
| Number of shares at the beginning        | 46.23      | 42.45      |
| Add: Shares issued during the year       | -          | 3.78       |
| Less: Shares bought back during the Year | -          | -          |
| Number of shares at the end              | 46.23      | 46.23      |

- The detail of shareholders holding more than 5% of Shares as at: -

| Name of Share Holder | As at ( No of Shares) |            |
|----------------------|-----------------------|------------|
|                      | 31-03-2017            | 31-03-2016 |
| Parveen Gupta        | 4,58,300              | 4,58,300   |
| Rajesh Kumar Gupta   | 4,96,517              | 4,96,517   |
| Yash Pal Gupta       | 3,92,650              | 3,92,650   |



|               |          |          |
|---------------|----------|----------|
| Rekha Gupta   | 4,25,097 | 4,25,097 |
| Sachin Gupta  | 2,90,800 | 2,90,800 |
| Saroj Gupta   | 4,33,400 | 4,33,400 |
| Saurabh Gupta | 3,41,103 | 3,41,103 |
| Tripti Gupta  | 3,56,900 | 3,56,900 |
| Rohin Gupta   | 3,30,828 | 3,30,828 |
| Rachit Gupta  | 4,14,600 | 4,14,600 |
| Suman Gupta   | 3,20,500 | 3,20,500 |

**ANNEXURE B**  
**STATEMENT OF LONG TERM BORROWINGS AS RESTATED**

(Amt. in Lacs)

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | 31-03-2017     | 31-03-2016     |
| Long Term Borrowings  |                |                |
| From Banks/Financial Institutions (Secured)                                       |                |                |
| Term Loans  | 63.96          | 62.52          |
| Loans and advances ( <b>Unsecured</b> )   |                |                |
| From Promoters/Directors/Related Parties  | 0              | 0              |
| From others   | 0              | 0              |
| From Financial Institutions   | 0              | 0              |
| <b>Total</b>  | <b>63.96</b>   | <b>62.52</b>   |
| Current portion of long-term borrowings, included under Other current liabilities |                |                |
| Term Loans and Car Loan   | 28.44          | 23.02          |
| Short Term Borrowings   |                |                |
| From Banks (Secured)  | 1978.99        | 2030.47        |
| Bank Working Capital Loan   | 0.00           | 0.00           |
| From Promoters/Directors/Related Parties  | 1037.83        | 0.00           |
| <b>Total</b>  | <b>3016.82</b> | <b>2030.47</b> |
| The above amount includes:  |                |                |
| Secured Borrowings  | 2042.95        | 2092.99        |
| Unsecured Borrowings  | 1037.83        | 0.00           |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A)
5. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B)





**ANNEXURE B (A)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

| Name of Lender      | Purpose              | Sanctioned Amount In Lacs | Rate of interest   | Primary Security   | Collateral/Other Security  | Re-Payment Schedule                        | Moratorium | Outstanding amount as on 31-03-2017 as per Books |
|---------------------|----------------------|---------------------------|--------------------|--|--|--|------------|--|
| <b>Secured Loan</b> |                      |                           |                    |  |  |  |            | <b>In Rupees</b>                                 |
| HDFC Bank           | Car Loan- Volkswagen | 29.00                     | 9.99%              | Hypothecation of vehicles  | --   | Repayable in 60 monthly Installments       | NA         | 17.56  |
|                     | Car Loan- Skoda      | 9.61                      | 10.25%             | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 9.61   |
|                     | Car Loan- Electra    | 14.40                     | 10.50%             | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 0.92   |
|                     | Car Loan- Altis      | 16.87                     | 10.26%             | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 9.55   |
|                     | Car Loan- Amaze      | 4.00                      | 10.60%             | Hypothecation of vehicles  | --   | Repayable in 60 monthly Installments       | NA         | 1.85   |
|                     | Car Loan- Ciaz       | 7.30                      | 9.64%              | Hypothecation of vehicles  | --   | Repayable in 36 monthly Installments       | NA         | 6.56   |
|                     | STL/BG/Overdraft     | 6200.00                   |                    | (Secured against FDR of Rs. 6,00,25,000/-                                | Personal guarantee of Directors and agst Directors Property/ Company owned Property -(a) Directors Property:- 14 Dayanand Vihar, Delhi-92, (b) Company owned Property at :(1). Plot no. 128, Block-Cassia Fistula Estate, Sector-CHI-04, Greater Noida, Dist. Gautam Budh Nagar, UP-201301) (2). Plot no. 84, Block-A, Sector-108,Noida, , UP) | Max-15 months (operative Period 12 Months) |            | 1,540.00   |
| ICICI Bank          | STL/Overdraft        | 448.00                    | As per Agreed Rate | Secured against Property of Directors at 306, Jagriti Enclave, Delhi-92, | Personal Guarantee of Directors and Directors property at 306, Jagriti Enclave, Delhi-92,  | On Demand                                  | N.A.       | 438.99   |



**ANNEXURE - B (B)**  
**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

Details of Unsecured Loans outstanding as at the end of the respective year from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities.

Unsecured Loans from Promoters/Directors are interests bearing and all are taken without any preconditions attached towards repayments.

**Windpipe Finvest Pvt Ltd**

**Rate of Interest- 8.00 %**

(Amt.  
in Lacs)

| Particulars              | As at      |
|--------------------------|------------|
|                          | 31/03/2017 |
| Opening Balance Cr/(DR)  | -          |
| Amount Received/credited | 11,307.08  |
| Amount repaid/adjusted   | 10,269.25  |
| Outstanding Amount       | 1,037.83   |

**ANNEXURE – C**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. in Lacs)

| Particulars  | For the year ended |                |
|--|--------------------|----------------|
|  | 31-03-2017         | 31-03-2016     |
| Opening Balance (A)  |                    |                |
| Opening Balance of Deferred Tax (Asset) / Liability              | (36.85)            | (24.83)        |
| Current Year Provision (B)                                       | (22.45)            | (12.02)        |
| (DTA) / DTL on Depreciation                                      | (5.90)             | (6.20)         |
| (DTA) / DTL on Unabsorbed Dep/Bonus Expenses                     | (16.54)            | (5.82)         |
| <b>Closing Balance of Deferred Tax (Asset) / Liability (A+B)</b> | <b>(59.30)</b>     | <b>(36.85)</b> |

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, I and III .

**ANNEXURE – D**  
**STATEMENT OF LONG TERM PROVISIONS**

(Amt. in Lacs)

| Particulars                     | As at        |              |
|---------------------------------|--------------|--------------|
|                                 | 31-03-2017   | 31-03-2016   |
| Provision for Employee Benefits |              |              |
| Gratuity Provision              | 81.59        | 52.56        |
| Other Provision                 | -            | -            |
| <b>TOTAL</b>                    | <b>81.59</b> | <b>52.56</b> |

**ANNEXURE – E**  
**STATEMENT OF TRADE PAYABLES**

(Amt. in Lacs)

| PARTICULARS   | As at          |                |
|---|----------------|----------------|
|   | 31-03-2017     | 31-03-2016     |
| Trade Payables  |                |                |
| Micro, Small and Medium Enterprises                   | -              | -              |
| For Goods & Services (including advance from debtors) | 2349.38        | 1839.79        |
| <b>Total</b>  | <b>2349.38</b> | <b>1839.79</b> |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**ANNEXURE – F**  
**STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**  
(Amt. in Lacs)

| PARTICULARS                                   | As at          |                 |
|---|----------------|-----------------|
|   | 31-03-2017     | 31-03-2016      |
| Other Current Liabilities                     |                |                 |
| Current maturities of long-term borrowings    |                |                 |
| - Term Loan/Car Loan                          | 28.44          | 23.02           |
| Advance Against Property                      | 36.00          | 36.00           |
| Cheques issued but not yet presented in Banks | 388.77         | 583.41          |
| Expenses Payable                              | 687.62         | 387.94          |
| <b>Total</b>                                  | <b>1140.83</b> | <b>1,030.37</b> |
| Short-Term Provisions                         |                |                 |
| Opening Balances of Provision                 | 2.88           | 3.53            |
| Provision for Income Tax                      | 447.30         | 321.36          |
| Provision for MAT                             | -              | -               |
| Provision for Dividend                        | -              | -               |
| Provision for Gratuity                        | 0.43           | (0.66)          |
| <b>Total</b>                                  | <b>450.61</b>  | <b>324.23</b>   |

Notes

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – G**  
**STATEMENT OF FIXED ASSETS**  
(Amt. in Lacs)

| PARTICULARS                         | As at         |               |
|-------------------------------------|---------------|---------------|
|                                     | 31-03-2017    | 31-03-2016    |
| <b>(i) Tangible Assets</b>          |               |               |
| Land                                | 490.43        | 490.43        |
| Air Conditioner                     | 4.94          | 4.00          |
| Car & Motor Cycle                   | 108.80        | 82.51         |
| Computer                            | 96.20         | 120.31        |
| Computer Server                     | 23.35         |               |
| Electricity Fittings & Fixtures     | 0.12          | 0.21          |
| Epabx                               | -             | 0.03          |
| Furniture & Fitting                 | 2.26          | 1.50          |
| Generator                           | 3.07          | 3.87          |
| Inverter                            | 0.04          | 0.09          |
| Modem                               | 0.15          | 0.21          |
| Office Equipment                    | 5.92          | 6.03          |
| Printer                             | 0.53          | 0.62          |
| Router Board                        | 6.99          | 6.28          |
| UPS                                 | 4.90          | 6.93          |
| <b>Total Tangible Assets</b>        | <b>747.70</b> | <b>723.02</b> |
| Intangible Assets                   |               |               |
| Computer Software                   | 68.62         | 32.71         |
| Capital Work-in-Progress            | -             | -             |
| Intangible assets under development | -             | -             |
| <b>Grand Total</b>                  | <b>816.32</b> | <b>755.74</b> |

Notes:



1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – H**  
**STATEMENT OF NON-CURRENT INVESTMENTS**

(Amt. in Lacs)

| Particulars  | As at         |               |
|--|---------------|---------------|
|  | 31-03-2017    | 31-03-2016    |
|  | Amount        | Amount        |
| Non Current Investment<br>(Other Than Trade, at Cost)  | 63.44         | 63.44         |
| Investment in Un Listed Equity Shares  | 5.00          | 5.00          |
| Investment in Un Listed Equity Shares (Associate company- Share India Commodity Broker Pvt. Ltd) | 92.75         | 90.92         |
| <b>Total</b>   | <b>161.19</b> | <b>159.36</b> |

Notes :

1. The figures mentioned in the bracket represent absolute number of shares.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – I**  
**STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. in Lacs)

| PARTICULARS   | As at         |               |
|---|---------------|---------------|
|   | 31-03-2017    | 31-03-2016    |
| <b>Unsecured, Considered Good unless otherwise stated</b> |               |               |
| Security Deposit  | 216.30        | 174.77        |
| Capital Advances  | -             | -             |
| Other Advances  | -             | -             |
| Loans & Advance to related Parties                        | -             | -             |
| <b>Total</b>  | <b>216.30</b> | <b>174.77</b> |

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – J**  
**STATEMENT OF INVENTORIES**

(Amt. in Lacs)

| PARTICULARS                     | As At         |               |
|---------------------------------|---------------|---------------|
|                                 | 31-03-2017    | 31-03-2016    |
| Inventory of Trading Securities | 405.26        | 216.41        |
| <b>Total</b>                    | <b>405.26</b> | <b>216.41</b> |

Note:- Inventory has been physically verified by the management of the Company at the end of respective year.

**ANNEXURE – K**  
**STATEMENT OF TRADE RECEIVABLES**

(Amt. in Lacs)

| PARTICULARS | As At      |            |
|-------------|------------|------------|
|             | 31-03-2017 | 31-03-2016 |



| Outstanding for a period exceeding six months (Unsecured and considered Good)                |                |                 |
|--|----------------|-----------------|
| From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies. | -              | -               |
| Others   | 10.08          | 13.74           |
| Outstanding for a period not exceeding 6 months (Unsecured and considered Good)              |                |                 |
| From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies. | 55.64          | -               |
| Others   | 1512.03        | 1,836.34        |
| <b>Total</b>   | <b>1577.76</b> | <b>1,850.08</b> |

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – L**  
**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. in Lacs)

| PARTICULARS                               | As at          |                 |
|---|----------------|-----------------|
|   | 31-03-2017     | 31-03-2016      |
| Cash in Hand (As Certified by Management) | 5.31           | 4.69            |
| Balances with Banks                       |                |                 |
| - In Current Accounts                     | 293.87         | 138.71          |
| - In Bank Deposits                        | 3005.49        | 3,168.25        |
| <b>Total</b>                              | <b>3304.67</b> | <b>3,311.65</b> |

Note:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Balances in Bank deposits are under lien with Banks against Bank Guarantee issued favouring to the Customers of Company.

**ANNEXURE – M**  
**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. in Lacs)

| PARTICULARS   | As at          |                 |
|---|----------------|-----------------|
|   | 31-03-2017     | 31-03-2016      |
| <b>Unsecured, Considered Good unless otherwise stated</b> |                |                 |
| Advance Recoverable in Cash or Kind                       | 958.19         | 1,185.67        |
| Capital Advances  | -              | -               |
| Deposits  | 55.11          | -               |
| MAT Credit Entitlement                                    | -              | -               |
| TDS Claim receivable (Stock Exchange)                     | 50.15          | 28.88           |
| Advance Taxes   | 396.29         | 280.88          |
| Service Tax Credit  | 6.26           | 0.35            |
| Prepaid Exp   | 24.73          | 23.36           |
| Income Tax Refund   | 12.20          | 68.57           |
| TDS Receivable  | 28.86          | 43.76           |
| Other Advances  | -              | 0.77            |
| <b>Total</b>  | <b>1531.79</b> | <b>1,632.24</b> |

Note:-

1. None of the Short term loans and advances are recoverable from Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.



3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
4. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – N**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. in Lacs)

| PARTICULARS               | As at        |              |
|---------------------------|--------------|--------------|
|                           | 31-03-2017   | 31-03-2016   |
| Margin Money Receivable   | 2.34         | -            |
| TDS Receivable            | -            | -            |
| Misc. Expenses            | -            | -            |
| Brokerage                 | 6.82         | 17.43        |
| Interest Accrued on FDR's | 13.60        | 37.26        |
| <b>Total</b>              | <b>22.76</b> | <b>54.68</b> |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – O**  
**STATEMENT OF OTHER INCOME**

(Amt. in Lacs)

| Particulars                    | For the year ended |               |
|--------------------------------|--------------------|---------------|
|                                | 31-03-2017         | 31-03-2016    |
| Related and Recurring Income:  |                    |               |
| Interest Income                | 362.95             | 402.00        |
| User ID Charges Received       | 11.87              | 31.98         |
| Profit on sale Of Fixed Assets | 3.30               | (0.05)        |
| Profit on sale Of Investment   | -                  | -             |
| None                           | -                  | -             |
| <b>Total</b>                   | <b>378.12</b>      | <b>433.93</b> |

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE –P**  
**STATEMENT OF TURNOVER**

(Amt. in Lacs)

| Particulars                                       | For the year ended |                 |
|---|--------------------|-----------------|
|   | 31-03-2017         | 31-03-2016      |
| a.)Brokerage/Incentive Income                     | 647.02             | 850.74          |
| b.)Income From Investment of Mutual Funds \shares | 20.76              | 30.48           |
| c.)Transaction Charges Received                   | 180.22             | 539.67          |
| d.)Profit on Own Trading                          | 9,758.70           | 5,530.02        |
| e.)Dividend Income                                | 4.74               | 1.38            |
| f.)Revenue from Depository Operations             | 19.55              | 12.79           |
| <b>Total</b>                                      | <b>10,631.00</b>   | <b>6,965.07</b> |

\*As per information provided to us by the Issuer, there is no such item.



**ANNEXURE – Q**  
**STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Amt. in Lacs)

| Particulars  | As at      |            |
|--|------------|------------|
|  | 31-03-2017 | 31-03-2016 |
| Net Worth (A)  | 3329.66    | 2531.32    |
| Restated Profit after tax  | 802.51     | 627.75     |
| Less: Prior Period Item  | -          | -          |
| Adjusted Profit after Tax (B)  | 802.51     | 627.75     |
| Number of Equity Share outstanding as on the End of Year/Period (C)                  | 46.23      | 46.23      |
| Weighted average no of Equity shares at the time of end of the year                  | 184.93     | 183.19     |
| Current Assets (G)   | 6842.25    | 7,065.05   |
| Current Liabilities (H)  | 6957.64    | 5,224.86   |
| Face Value per Share (in Rs.)  | 10.00      | 10.00      |
| Restated Basic and Diluted Earning Per Share (Rs.) (B/D)<br>Refer Note 1 given below | 4.34       | 3.43       |
| Return on Net worth (%) (B/A)  | 24.10      | 24.80      |
| Net asset value per share (A/C)  | 72.02      | 54.75      |
| Adjusted Net asset value per share based on Weighted average number of share (A/D)   | 18.01      | 13.82      |
| Current Ratio (G/H)  | 0.98       | 1.35       |

Note:-

- Earnings per share = Profit available to equity shareholders/ weighted average number of outstanding of equity shares during the year. For the purpose of calculating of weighted average number of shares outstanding prior to Bonus Shares and Right Issue, for the earlier years, Ratio of bonus and right factor applied on closing number of share outstanding as on the end of respective years.
- Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year.
- Weighted Average number of outstanding Equity Shares has been calculated in terms of the requirement of Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.
- Return on Net worth (%) = Profit available for Equity shareholders/Net worth X 100.
- Current Ratio= Current Assets/ Current Liabilities.
- The company does not have any revaluation reserves or extraordinary items
- As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- Net Profit, before extra ordinary items as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.
- Net asset value per share (Face value of Rs. 10 Each) has been computed considering the outstanding number of share as at the end of year.
- Net worth for ratios mentioned represent equity share capital and reserves and surplus. Refer Annexure A for components of Reserves and Surplus.

**ANNEXURE – R**  
**STATEMENT OF RELATED PARTY TRANSACTION**

| a) | Names of the related parties with whom transaction were carried out during the years and description of relationship: |  |
|----|---|--|
| 1) | Company/entity owned or significantly influenced by directors/ KMP  | Windpipe finvest Private Limited<br>Algowire Trading Technologies private Limited<br>Skyvell Trade Solutions LLP |
|    |   | Anmol Financial Services Limited   |
| 2) | Relative of Key Management Personnel's:   | Agam Gupta<br>Prachi Gupta<br>Prerna gupta<br>Rachit Gupta<br>Rekha Gupta<br>Roheen Gupta                        |





|    |            |                     |
|----|------------|---------------------|
|    |            | Saurabh Gupta       |
|    |            | Sonam Gupta         |
|    |            | Suman Gupta         |
|    |            | Tripti Gupta        |
|    |            | Sukriti Gupta       |
|    |            | Yash Pal gupta -HUF |
| 3) | Directors: | Parveen Gupta       |
|    |            | Rajesh kumar Gupta  |
|    |            | Saroj Gupta         |
|    |            | Yashpal Gupta       |
|    |            | Sachin Gupta        |

**2. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP**  
(Amt. in Lacs)

| Sr. No. | Nature of Transaction                        | years          |                |
|---------|--|----------------|----------------|
|         |  | 31-03-2017     | 31-03-2016     |
|         | <b>Directors remuneration</b>                | <b>124.80</b>  | <b>16.80</b>   |
|         | Parveen Gupta                                | 21.60          | 4.13           |
|         | Rajesh Kumar                                 | 21.60          | 2.90           |
|         | Yash pal Gupta                               | 21.60          | 4.02           |
|         | Saurabh Gupta                                | 18.00          | 0.00           |
|         | Saroj Gupta                                  | 21.60          | 3.90           |
|         | Sachin Gupta                                 | 20.40          | 1.86           |
|         | <b>Loan Taken</b>                            | <b>1679.00</b> | <b>1217.75</b> |
|         | Windpipe Finevest Pvt Ltd                    | 1679.00        | 1217.75        |
|         | Anmol Financial Services Ltd                 |                |                |
|         | <b>Loan Repaid</b>                           | <b>-</b>       | <b>1217.75</b> |
|         | Windpipe Finvest Pvt Ltd                     | -              | 1217.75        |
|         | <b>Brokerage Received From Related Party</b> | <b>117.61</b>  | <b>91.82</b>   |
|         | Algowire Trading Technologies Pvt Ltd        | 96.77          | 89.11          |
|         | Skyvell Trade Solutions LLP                  | 20.84          | -              |
|         | <b>Interest Paid</b>                         | <b>77.53</b>   | <b>15.03</b>   |
|         | Windpipe Finevest Pvt Ltd                    | 77.53          | 15.03          |
|         | <b>Rent Payment</b>                          | <b>16.62</b>   | <b>0.91</b>    |
|         | Rajesh kumar                                 | 4.50           | -              |
|         | Praveen gupta                                | 4.50           | -              |
|         | Yashpal Gupta                                | 4.50           | -              |
|         | Sachin Gupta -HUF                            | 1.62           | 0.41           |
|         | Yashpal Gupta- HUF                           | 1.50           | 0.50           |
|         | <b>License Fees</b>                          | <b>0</b>       | <b>72.87</b>   |
|         | Algowire Trading Technologies Pvt Ltd        | -              | 72.87          |
|         | <b>Salary Payment</b>                        | <b>367.39</b>  | <b>14.66</b>   |
|         | Saurabh Gupta                                | -              | 1.22           |
|         | Prachi Gupta                                 | <b>46.60</b>   | 6.00           |
|         | Agam Gupta                                   | <b>55.07</b>   | 0.93           |
|         | Prena Gupta                                  | <b>26.20</b>   | 0.93           |
|         | Rachit Gupta                                 | <b>28.37</b>   | 0.93           |
|         | Rekha Gupta                                  | <b>35.47</b>   | 0.93           |
|         | Roheen Gupta                                 | <b>53.77</b>   | 0.93           |
|         | Sonam Gupta                                  | <b>52.37</b>   | 0.93           |
|         | Suman Gupta                                  | <b>33.67</b>   | 0.93           |
|         | Tripti Gupta                                 | <b>35.87</b>   | 0.93           |
|         | <b>Consultancy</b>                           | <b>4.20</b>    | <b>4.20</b>    |



|  |   |      |      |
|--|---|------|------|
|  | Sukriti Gupta   | 4.20 | 4.20 |
|  | <b>Corporate Guarantee from enterprises in which relative of Key Management Personnel having significant influence.</b> | -    | -    |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnel's, and Relative of Key Management Personnel's have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – S  
STATEMENT OF CAPITALISATION**

(Amt. in Lacs)

| Particulars                            | Pre-Issue  | Post-Issue |
|--|------------|------------|
|  | 31-03-2017 |            |
| Debt                                   |            |            |
| Short Term Debt                        | 3,016.82   | -          |
| Long Term Debt                         | 63.96      | -          |
| Total Debt                             | 3,080.78   | -          |
| Shareholders' Fund (Equity)            |            |            |
| Share Capital                          | 462.31     | -          |
| Reserves & Surplus                     | 2867.35    | -          |
| Less: Miscellaneous Expenses not w/off | -          |            |
| Total Shareholders' Fund (Equity)      | 3329.66    | -          |
| Long Term Debt/Equity                  | 0.02       | -          |
| Total Debt/Equity                      | 0.93       | -          |

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2017.
4. For calculation of post offer capitalisation statement. The figures of short term/long term debt as appearing on 31.03.2017 have only been considered.

**ANNEXURE – T  
STATEMENT OF TAX SHELTER**

(Amt. in Lacs)

| Particulars  | As at      |            |
|--|------------|------------|
|  | 31/03/2017 | 31-03-2016 |
| Net Profit/(Loss) before taxes (A)   | 1227.36    | 937.09     |
| Tax Rate Applicable %  | 34.608%    | 33.068%    |
| Minimum Alternate Taxes (MAT)  | 18.50%     | 18.50%     |
| Adjustments  |            |            |
| Add: Depreciation as per companies act, 1956/2013  | 184.97     | 158.89     |
| Add: Expenditure on Account of Interest on Delay payment of TDS and non Payment/Short payment of TDS and Service Tax | 0          | 0          |
| Add: Expenditure on Account of Interest on Delay payment of Income Tax   | 0          | 0          |
| Add: Donation Paid not Allowed Under Income Tax (Net of Deduction Available if any)                                  | -          | -          |
| Add: Loss on sale of Fixed Assets  | -          | 0.22       |
| Add: Expenses on Which TDS not Deducted  | 0.18       | 0          |
| Add: Penalties under Various laws  | 0.00       | 0          |
| Add: Various Expenditure Disallowed  |            |            |



|   |                |                |
|---|----------------|----------------|
| Add: Bonus Not paid up to due date during the year - Disallowed u/s 43B (b)         | -              | -              |
| Add: Provision for Gratuity - Disallowed u/s 43B (b)                                | 31.08          | 17.61          |
| Add: TDS Defaults as per 26AS   | -              | -              |
| Add: Income Tax   |                | 0              |
| Add: Preliminary Expenses disallowed as per Income Tax Act, 1961                    |                |                |
| Less: Depreciation as per Income Tax Act, 1961                                      | 56.42          | 13.36          |
| Less : Long term Capital Gain   | -              | 0.04           |
| Less: Profit on sale of Fixed Assets  | 0              | 0              |
| Less:- Dividend Income (Exempt)   | -              | 1.38           |
| Net Adjustments (B)   | 159.81         | 161.94         |
| Business Income (A+B)   | 1387.17        | 1099.03        |
| Less- Deduction under Sec 35 AD   | -              | -              |
| <b>Total Taxable Income</b>   | <b>1387.17</b> | <b>1099.03</b> |
| Tax Payable as per Normal Rate  | 480.07         | 363.43         |
| Tax Payable as per Special Rate   | -              | -              |
| Tax as per Income Tax (C )  | 480.07         | 363.43         |
| Book Profits for MAT  |                |                |
| - net profit as per P&L   | 1227.36        | 937.09         |
| - interest disallowed   | -              | -              |
| - Deferred Tax Liability created during the year                                    | -              | -              |
| - TDS defaults as per 26AS  | -              | -              |
| Total Book Profit for MAT   | 1227.36        | 937.09         |
| Tax Payable as per Minimum Alternate Tax U/s 115 JB of the Income Tax Act, 1961 (D) | 227.06         | 173.36         |
| Net Tax (Higher of C & D)   | 480.07         | 363.43         |
| Opening Balance of Mat Credit   | -              | -              |
| Mat Credit Available for Subsequent Year out of CY Taxes                            | -              | -              |
| Cumulative MAT Credit Availment   | -              | -              |
| MAT Credit Utilization  | -              | -              |
| Current tax as per restated Statement of Profit & Loss                              | 447.30         | 321.36         |

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company, Income Tax Depreciation was recalculated due to regrouping of Assets and capitalization of few payment expenses from Revenue to Fixed Assets, due to which depreciation was recalculated and revised depreciation considered for above calculation.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – U  
RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Amt. in Lacs)

| Particulars  | As at           |                 |
|--|-----------------|-----------------|
|  | 31/03/2017      | 31-03-2016      |
| Contingent liabilities in respect of:  |                 |                 |
| Claims against the company not acknowledged as debts   | -               | -               |
| Bank Guarantee issue to third Parties by Bank  | 3,080.00        | 1,570.00        |
| Guarantees given for others  | -               | -               |
| Buyers Credit in Foreign Currency  | -               | -               |
| Other moneys for which the company is contingently liable                                      | -               | -               |
| Commitments (LC issued to third parties by Bank)   | -               | -               |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | -               | -               |
| Uncalled liability on shares and other investments partly paid                                 | -               | -               |
| Other Claims against the company under appeal  | 8.96            | 8.96            |
| <b>Total</b>   | <b>3,088.96</b> | <b>1,578.96</b> |

Notes:



1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – V**  
**STATEMENT OF CURRENT INVESTMENT**

(Amt. in Lacs)

| PARTICULARS                   | As at           |            |
|-------------------------------|-----------------|------------|
|                               | 31-03-2017      | 31-03-2016 |
| Investment in Unquoted shares | -               | -          |
| Bharat Nidhi Ltd.             | -               | -          |
| Camac Commercial              | -               | -          |
| Investment in Equity shares   | 16.42           |            |
| Investment in Mutual fund     | 2,305.05        |            |
| <b>Total</b>                  | <b>2,321.47</b> | -          |

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
The Board of Directors,  
Share India Securities Limited

Dear Sirs,

The principal terms of loans and assets charged as security as on 31<sup>st</sup> March 17 is as given below:

**A. Secured Loan**

(₹ In Lacs)

**CONSOLIDATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

| Name of Lender | Purpose          | Sanction Amount/<br>Takeover amount | Rate of interest | Securities offered  | Re-payment                          | Moratorium                                 | Outstanding amount as on 31-03-2017 as per Books |
|----------------|------------------|-------------------------------------|------------------|---|-------------------------------------|--|--|
| HDFC Bank      | Car Loan         | 29.00                               | 9.99%            | Hypothecation of vehicles   | Repayable in 60 Monthly Instalments | N.A.                                       | 17.56  |
|                |                  | 19.92                               | 9.61%            | Hypothecation of vehicles   | Repayable in 60 Monthly Instalments | N.A.                                       | 9.61   |
|                |                  | 14.40                               | 10.50%           | Hypothecation of vehicles   | Repayable in 84 Monthly Instalments | N.A.                                       | 0.93   |
|                |                  | 16.87                               | 10.26%           | Hypothecation of vehicles   | Repayable in 60 Monthly Instalments | N.A.                                       | 9.55   |
|                |                  | 4.00                                | 10.60%           |   |                                     | N.A.                                       | 1.84   |
|                |                  | 7.30                                | 9.64%            |   |                                     | N.A.                                       | 6.56   |
|                | STL/BG/Overdraft | 6200.00                             |                  | Secured against FDR of Rs. 6,00,25,000/-<br>Personal guarantee of Directors and agst Directors Property/ Company owned Property - (a) Directors Property: - 14 Dayanand Vihar, Delhi-92, (b) Company owned Property at :( 1). Plot no. 128, Block-Cassia Fistula Estate, Sector-CHI-04, Greater Noida, Dist. Gautam Budh Nagar, UP-201301) (2). Plot no. 84, Block-A, Sector-108,Noida, , UP) | Repayable in 56 Monthly Instalments | Max-15 months (operative Period 12 Months) | 1539.99  |



*Share India Securities Limited*

|              |               |        |                    |   |           |      |         |
|--------------|---------------|--------|--------------------|---|-----------|------|---------|
| ICICI Bank   | STL/Overdraft | 448.00 | As per Agreed Rate | Personal Guarantee of Directors and Director property at 306,Jagriti Enclave, Delhi -92 | On Demand | N.A. | 438.99  |
| <b>Total</b> |               |        |                    |   |           |      | 2025.04 |

**B. Un Secured Loan**

| Name and Relationship of Lender | Purpose       | Rate of Interest | Repayment | Outstanding Amount in Lacs as per Books as on 31-03-2017 |
|---------------------------------|---------------|------------------|-----------|--|
| Windpipe Finvest Pvt Ltd        | Business loan | 8%               | On demand | 1037.84  |
| <b>Total</b>                    |               |                  |           | <b>1037.84</b>   |

The company shall during the tenure of the facility not undertake the below mentioned task without the banks permission in writing:-

- To effect any adverse change in the company's capital structure.
- Reduce promoter's shareholding/directorship resulting in change in management.
- Make any drastic changes in management setup.
- Formulate any scheme of amalgamation or merger or reconstruction.
- implement any scheme of expansion or diversification
- Enter into any borrowing or no-borrowing arrangement either secured or unsecured with any other bank, company or financial institutions.
- Invest by way of share capital in or lend or advance funds to or place deposits with any other firm, concerns of companies other than in normal course of business.
- Undertake guarantee obligation on behalf of any other firm, concerns of companies other than in normal course of business.
- Sell or dispose off or encumbrance on the assets charged to the bank in favour of any other bank, financial institutions or company.
- Repay monies brought in by the promoters, directors, shareholders, their relatives in the business of the company.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled "Risk Factors" beginning on page 14 and "Forward Looking Statements" beginning on page 13 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period ended December 31, 2016 and for the fiscal years ended March 31, 2016, 2015, 2014, 2013 and 2012, including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of the Company" on Page 171 of the Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### OVERVIEW

Our Company was incorporated on July 12, 1994 as "FMS Securities Limited" as a Public Limited Company with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong. In the year 2000, Our Existing Promoters Mr. Parveen Gupta, Mr. Sachin Gupta, Mr. Rajesh Gupta and Mr. Yash Pal Gupta took over the management of our Company from our erstwhile Promoters i.e. Mr. Hukamraj Sajjanraj Kumbhat, Mr. Kaushal Kumbhat, Mr. Pardip Kumbhat, Mr. Haradhan Saha, Mr. Laxmi Narain Biyani, Mrs. Ambika Barua and Mrs. Indu Kumbhat. Later, pursuant to scheme of Amalgamation, Share India Securities Limited was merged into our Company vide order of Hon'ble High Court of Delhi dated May 20, 2010. The name of our Company was changed to Share India Securities Limited and fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, NCT of Delhi and Haryana on July 15, 2010. Further the Registered Office of the Company was changed to Uttar Pradesh from the State of Delhi and fresh certificate for change in registered office was issued by Registrar of Companies, Uttar Pradesh dated May 02, 2012 pursuant to Company Law Board, New Delhi Bench order dated April 17, 2012.

Our company is currently engaged in the business of equity broking, investing and trading activities. Along with this we are also providing the services as a Depository Participant, Research Analyst, Mutual Fund Advisor/Distributor and also an application has been filed with Securities and Exchange Board of India for the registration of Company as a Portfolio Manager. Our Company got registered with SEBI as Stock Broker (Member of BSE) in the year 2000 and started the Stock Brokering operations. Later during the year 2007-08 we got registered as a trading and clearing member of Bombay Stock Exchange (BSE). Post the merger of the company we got registered with SEBI as Stock Broker, Trading and Clearing Member of National Stock Exchange of India (NSE) in the year 2012. With the introduction of the Future and option segment into the Indian capital market the company became Member under future & Option (F&O) Segment also. Currently, The Company is providing broking services in Equity, Currency derivative and Future & Options segment of National Stock Exchange of India Limited and BSE Limited

Post this development, we focused on trading and broking segment particularly for High Net worth clients. Further, in order to target new HNI & retail customers and to expand our business operations, we setup our branches in New Delhi and Noida. We currently have a network of around 5 sub brokers and 173 Authorised persons registered with us in BSE and 03 sub brokers and 163 Authorized persons in NSE all over India catering to the needs of our clients.

Looking into the opportunities in the Depository and Participants business we also forayed into the depositories business. We received the permanent registration from SEBI as Participant of the CDSL depositories in the year 2015. With the plan to further expand our business in the depository Participant we opened a Branch depository participant at Hissar, Haryana. We are also engaged in the business of Mutual Fund activities and has taken the membership of AMFI. Our Company is also engaged in making proprietary investments in various tradable securities. We invest in both securities and derivatives with sufficient liquidity. The investment strategies are





mostly to earn arbitrage gain done based on analysis and investment rationale. With a plan to further diversify the operations of the company from share trading and brokering service our company has entered into the Research Analysis business and also applied for the registration for Portfolio management services.

Our Promoters Mr. Parveen Gupta, Mr. Rajesh Gupta, Mr. Sachin Gupta and Mr. Yash Pal Gupta are responsible for the growth achieved by the company in the past. With the experience and knowledge of our promoters about the intricacies of the Indian Stock Market, we have received the support and guidance because of which we were able to grow our turnover in leaps and bounds. Our Promoters' unique ideas and innovative solutions to the various operational problems along with the hardworking team are the main strength of our Company.

For the Fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 our total revenue stood at 10635.98 Lakhs, 6065.07 Lakhs, 3009.78 lakhs & 1820.72 Lakhs respectively. Further, our EAT for the Fiscal year ended on March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 were 813.82 Lakhs 627.75 Lakhs, 334.71 Lakhs & 57.04 Lakhs respectively. We have been able to increase our revenue at an annual growth rate of 55.47 % from fiscal 2014 until fiscal 2017..

## **CERTIFICATIONS & RECOGNITIONS RECEIVED BY OUR COMPANY**

Some of the prominent certifications and recognitions received by our Company are the following:-

- Our company has received an award for appreciation for our contribution in the 1 crores Demat accounts opened by CDSL.
- Our company has been accredited with certificate for being among the top performing members for the year 2015-16 in equity and equity derivatives segment of the National Stock Exchange of India Limited.
- Our company has been accredited with certificate for being among the top performing members for the year 2015-16 in Currency derivative segment of the National Stock Exchange of India Limited.

## **OUR BUSINESS STRENGTHS**

### **1. Experienced Promoters and management team.**

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoters' viz. Mr. Parveen Gupta, Mr. Rajesh Gupta, Mr. Sachin Gupta and Mr. Yash Pal Gupta with their knowledge and experience are well assisted by our Key Managerial Persons who have helped us to have long term relations with our customers and have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

### **2. Diversified yet integrated mix of business.**

Our company is engaged in the business of Share broking and trading services in Equity, Future & Options and Currency Derivatives segments and has the membership in the cash, future and options and currency derivatives segments of both BSE and NSE, Depository Participant services with CDSL and is also providing Mutual fund investment services to clients. Apart from the above we have also entered into proprietary trading (own account trading) activities also. With our wide range of services our company is able to cater to the demand so fall our customers under one roof.

### **3. Long term relationship with the clients**

Our Company believes in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions and faster resolution of customer complaints, if any, has helped us to establish long-term relationships with high net worth clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

### **4. Strong Risk Management System**

We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, including instruments,



strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cashflow. We periodically review and modify such procedures, as necessary or appropriate. These procedures cover our internal control system, customer margin requirement and risk management of relationship managers.

## OUR BUSINESS STRATEGIES

### 1. Entering into new geographies

We are currently located in Ghaziabad, New Delhi, Jaipur and Mumbai. Going forward we plan to establish our presence in the western and central region and we intend to set up branch offices in major cities. Our emphasis is on expanding the scale of our operations as well as growing our network across India, which we believe will provide attractive opportunities to grow our client base and revenues.

### 2. Continue to develop client relationships

We plan to grow our business primarily by growing the number of client relationships, as we believe that increase in client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

### 3. Attract and retain talented employee

Employees are essential for the success of every organization. We constantly intend to continue our focus on providing healthy and comfortable work climate for our employees and provide various programs and benefits for the personal well-being and career development. We intend to strive to further reduce the employee attrition rate and retain more of our employees to facilitate our future expansion by providing them with better and healthier working environment.

### 4. Competitive Pricing

To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the competition and claim a position of strength in the marketplace.

### 5. Optimize operational efficiencies

Since the beginning, the thrust of our Company has been in pursuing the most economical model in every aspect of manpower and installations to enable ourselves to achieve operational efficiencies. We shall continue to invest in technology and related platforms to increase our operational efficiencies. We believe that investment in technology / automation tools can improve staff productivity, enabling our people to handle more transactions / challenges and improve quality of services.

## OUR LOCATION

|                          |  |
|--------------------------|--|
| <b>Registered Office</b> | 6th Milestone, New Bhai Chara Complex, Opp. Mata Mandir, Chikambarpur, Up Border, Sahibabad, Uttar Pradesh-201006, India                           |
| <b>Corporate Office</b>  | 14, Dayanand Vihar, Delhi-110092, India  |
| <b>Branch Office</b>     | 518, 5 <sup>th</sup> Floor, Ocean Complex, Sector-18, Noida, Distt. Guatam Budh Nagar, U.P.-201301, India  |
|                          | 301 & 02, 3 <sup>rd</sup> Floor, 13, Yamuna Tower, Saini Enclave, Delhi-110092, India  |
|                          | Unit No.A-241 & 242 Second Floor, Pacific Bussiness Park, Plot No.37/1, Site-IV, Sahibabad Industrial Area, Ghaziabad, Uttar Pradesh-201010, India |
|                          | 219-220, Krishan Square, JDA Shopping Centre, Subhash Nagar, Jaipur, Rajasthan, India  |
|                          | Shop No-8, Ground Floor, Eden Gardens, Mahavir Nagar, Kandivali (West), Mumbai-400067, India   |
|                          | B-49/7, Site-IV, Sahibabad Industrial Area, Sahibabad, Ghaziabad, UP-201010, India   |
|                          | Unit No-607, B2B Centre Co-operative Premises Society Ltd., Kanchpada, Off Link Road, Malad (West), Mumbai-400064, India                           |



|  |   |
|--|---|
|  | 22, Aggarsain Market, Opposite Post Office, Hissar, Haryana-125001                  |
|  | A-86, 2 <sup>nd</sup> Floor, Ashok Vihar, Phase-3, Delhi-110052                     |
|  | House No. B-3, 2 <sup>nd</sup> Floor, 60 Feet Road, Pul Pehladpur, New Delhi-110044 |

## SWOT ANALYSIS

|  |  |
|--|--|
| <b>Strengths</b> <ul style="list-style-type: none"> <li>Competitive Pricing.</li> <li>Good quality services.</li> <li>Experienced Promoter &amp; Management Team.</li> <li>Latest and advanced technology and infrastructure.</li> <li>Strong relationship with customer.</li> </ul> | <b>Weakness</b> <ul style="list-style-type: none"> <li>Higher taxes</li> <li>Technology downtime</li> </ul>  |
| <b>Opportunities</b> <ul style="list-style-type: none"> <li>Opportunities in Primary Market.</li> <li>Increasing focus on investment by general public.</li> </ul>   | <b>Threats</b> <ul style="list-style-type: none"> <li>Fluctuation in Stock market.</li> <li>Government &amp; regulatory norms</li> <li>Change in the investors perception about stock markets</li> </ul> |

## OUR MAJOR PRODUCTS, SERVICES AND PROCESSES

### Equity Broking

Our Company is a member of BSE and NSE for trading in Equity market. We cater to the needs of our clients i.e. corporate, high net worth individuals and retail investors in the secondary market segments (Cash, F&O and CD). We provide personalized trade and execution services along with real time information to our clients. Our trading volumes for the year ended on March 31, 2017 are as follows:

| Stock Exchange | Trading Volumes             |                              |                              |                                       |
|----------------|-----------------------------|------------------------------|------------------------------|---------------------------------------|
|                | Cash Equities<br>(₹ Crores) | Equity Futures (₹<br>Crores) | Equity Options<br>(₹ Crores) | Currency<br>Derivatives (₹<br>Crores) |
| BSE            | 848.25                      | 32.09                        | -                            | 30421.37                              |
| NSE            | 45178.71                    | 545255.25                    | 28229.94                     | 42203.42                              |

### Depository Services

Depository Participant is an agent of the depository and can offer depository related services. We offer depository facility to our equity trading clients as a part of integrated service offering through CDSL, where our Company is registered as depository participant. The effective management of transactions by skilled professionals has helped out our Company to gain the trust of the clients over the years as depicted below -

| Depository | Total No. of Active<br>Clients<br>2014-15 | Total No. of Active<br>Clients<br>2015-16 | Total No. of Active<br>Clients<br>2016-17 |
|------------|---|---|---|
| CDSL       | 7363                                      | 7731                                      | 8367                                      |

### Distribution of Mutual Funds

We are also into distribution of Mutual funds. We offer various options of investments in Mutual Funds, Tax saving ELSS Schemes, etc. We have utilised our strength of network, client's especially high networth individuals and corporates with high liquidity for distribution of financial products. We use our relationship with our clients for marketing mutual funds.

Apart from the services mentioned above we are also engaged in making proprietary investments in various tradable securities with the strategy to earn arbitrage gain done based on analysis and investment rationale. We are also engaged in providing services of Research Analyst and also applied for the registration as a Portfolio Manager with SEBI.



## **PLANT & MACHINERY & EQUIPMENTS**

The major plant and machineries required for our business is computers and servers. We have adequate number of computer systems commensurate with our current size of operations.

## **COLLABORATIONS/TIE UPS/ JOINT VENTURES**

We have not entered into any technical or other collaboration.

## **EXPORT OBLIGATION**

As on date of the filing of this Prospectus, we don't have any export obligation.

## **INFRASTRUCTURE AND UTILITIES**

### **Risk Management**

With the increase in the participation by the public in the financial market there is an urgent need to manage risks regarding new financial instruments such as derivatives, currency futures etc. Our Company is dealing in financial services and hence risk management is of utmost importance. We have deployed resources in terms of technology, people and processes to manage our risk management function. We monitor and control our risk exposure through financial, credit, operational, compliance and legal reporting systems based on mandatory regulatory requirements and as per our business needs.

Our risk management system monitors our market exposure on the basis of the total margin collected from clients, the total margin deposited with the exchanges and the lines of credit available from the banks. Our management team analyses this data in conjunction with our risk management policies and takes appropriate action where necessary to minimize risk.

For real time risk management software called, "SAVIOUR" is used. This system can evaluate risks at pre-trade and post-trade levels on a dynamic or real time basis. The integrated risk management features allow our risk management team to exercise a high degree of control over the entire process. This assists us in keeping a check over the exposure limit utilized by various clients and also enables us to take action to mitigate risk in due course.

### **Compliance**

We have also put in place a compliance structure to address compliance and reputation risk. The compliance officer of the company looks after the matters relating to prevention of Insider trading. The Compliance officer's role is to ensure that the Company operates in accordance with the laws and regulations of the stock exchanges and regulators. The Compliance officer provides support for each of the businesses. The Compliance officer handles all regulatory matters. He also ensures that persons connected to our Company do not profit by dealing in securities on the basis of unpublished price sensitive information.

### **Back office and data processing management**

Our back office is based at Noida, UP with a back-up server at Delhi data centre. We use software named, Cap Rise supplied by M/s. Rising TechnoSoft Pvt. Ltd. The software has advanced risk management and reporting capabilities and has been designed and developed to cater the transaction volumes of our business.

### **Technology**

We recognise the need to have a sophisticated technology network in place to meet our customer needs as well as to maintain a risk management system. Our technology infrastructure is aimed at ensuring that our trading and information systems are reliable and performance enhancing and that client data are protected. Data back-up is taken on an incremental basis on external HDDs and sent to another location. Our system is a complex multi-product/multi-architecture system as per the needs of our retail, corporate and HNI clients. We have scalable platforms for order management and risk management and also have sophisticated servers and network infrastructure.



### Connectivity Infrastructure

We have set up a network of VSATs and leased lines for our Corporate Office based at New Delhi. We have also taken leased lines and VSATs connectivity's for data connectivity at our branch offices. We always endeavor to minimise downtime. Connectivity for our proposed expansions will also be based on leased lines/VSATs

### Human Resource

Our Company is committed towards creating an organization that nurtures talent. As on June 30, 2017, we had employed total 524 employees at our locations. We have employed a prudent mix of the experienced staff and youth which gives us the dual advantage.

| Category                           | No. of Employees |
|------------------------------------|------------------|
| Administrative or Managerial Staff | 22               |
| Skilled Workers                    | 490              |
| Unskilled Workers                  | 12               |
| <b>Total</b>                       | <b>524</b>       |

### SALES AND MARKETING

Our Company is in its existence of over 20 years have become a brand to reckon by earning trust of its clients and business associates. Going forward we intends to continue on its ethos of transparency, quick query resolution and delivery of commitments. We have designed its sales and marketing keeping this ethos in mind in a three phased approach.

- Increase business from existing clients: We intend to leverage our financial expertise and offer these customers end to end financial planning including mutual fund based investment. We have a dedicated sales team for this purpose and intend to use its customer connectivity to cross-sale financial products like - mutual funds, and PMS etc.

- Offer tech based trading solution to HNI clients: Technology has today become mainstay of broking business. We plan to extend our reach to HNI customers who trade based on proprietary algorithms. We are planning to develop an in-house development team perfect fit for these HNI clients who demand customized trading solution based on their requirements.

- Increase penetration in southern and western India: We are currently a northern India based broking. We plan to increase penetration in states likes Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh, Karnataka etc. where there is significant demand for financial solution providers and we have a limited presence.

### COMPETITION

We face competition from other broking outfits spread throughout the country. As we also propose to enter to new locations and newer markets, we are likely to face additional competition from those who may be better capitalized and have brand presence.

Our strengths are our customized brokerage plans, extensive technical and fundamental research support, efficient and reliable risk management systems and more than 22 years of relevant experience. We firmly believe that inspite of intense competition, we can create a space for ourselves by offering our clients with all the financial services including Equity, Equity Derivatives; Currency Derivatives and Mutual Funds at attractive prices under one roof by offering them with afore-mentioned value added services.

### SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR:-

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-



1. The authorized capital of the Company was increased from ₹ 6,00,00,000/- divided into 60,00,000 Equity Shares of ₹ 10/- each to ₹ 25,00,00,000/- divided into 2,50,00,000 Equity Shares of ₹ 10/- each vide shareholders Resolution dated July 22, 2017.
2. Company has allotted 1,38,69,441 Bonus Shares in the ratio of 3:1 to existing shareholders by capitalization ₹ 13,86,94,410 from Reserve and surplus vide shareholder resolution dated July 22, 2017.
3. We have appointed Mr. Rohin Gupta as Whole time Director and appointed Mr. Santosh Kumar Taneja as Independent Director of the Company with effect from July 22, 2017.
4. We have passed a special resolution in shareholders meeting dated July 22, 2017 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
5. We have approved and taken into the record offer for sale of equity shares of the Company on the meeting of the Board of Director dated July 06, 2017.
6. We have appointed Mr. Vijay Kumar Rana as Chief Financial Officer of the Company with effect from July 06, 2017.
7. We have changed the designation of Mr. Parveen Gupta as Chairman and managing Director, Mr. Sachin Gupta as Whole time Director, Mr. Rajesh Gupta as Whole time Director and Mrs. Saroj Gupta as Whole time Director of the Company with effect from July 22, 2017.

#### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-**

Our results of operations could potentially be affected by the following factors amongst others:

1. Disruption in the stock market in India or Globally.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Disruption in the network connection and Internet services;
7. Recession in the market;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Occurrence of Environmental Problems & Uninsured Losses;
11. Our ability to successfully implement our growth strategy and expansion plans;
12. Our ability to meet our capital expenditure requirements;
13. Our ability to attract, retain and manage qualified personnel;
14. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
15. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
16. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
17. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
18. Conflicts of interest with affiliated companies, the promoter group and other related parties;
19. The performance of the financial markets in India and globally;
20. Any adverse outcome in the legal proceedings in which we are involved;
21. Our ability to expand our geographical area of operation;
22. Concentration of ownership among our Promoters.

#### **Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled “*Financial Information of the Company*” on page 171 of this Prospectus.



**Change in accounting policies in previous 3 (three) years**

Except as mentioned in chapter “*Financial Information of the Company*” on page 171, there has been no change in accounting policies in last 3 (three) years.

**Summary of the Results of Operations**





| Particulars  | 31.03.2017       | % of Total Income | 31.03.2016      | % of Total Income | 31.03.2015      | % of Total Income | 31.03.2014      | % of Total Income | 31.03.2013      | % of Total Income |
|--|------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| Revenue from Operations  | 10,635.98        | 96.57             | 6,965.07        | 94.14             | 3,009.78        | 90.19             | 1,820.72        | 95.20             | 1,508.32        | 86.85             |
| Other Incomes  | 378.12           | 3.43              | 433.93          | 5.86              | 327.30          | 9.81              | 91.71           | 4.80              | 228.42          | 13.15             |
| <b>Total Revenue</b>   | <b>11,014.10</b> | <b>100.00</b>     | <b>7,399.00</b> | <b>100.00</b>     | <b>3,337.09</b> | <b>100.00</b>     | <b>1,912.43</b> | <b>100.00</b>     | <b>1,736.74</b> | <b>100.00</b>     |
| Expenses:  |                  | -                 |                 | -                 |                 | -                 |                 | -                 |                 | -                 |
| Cost of Operation  | 6,776.56         | 61.53             | 4,604.37        | 62.23             | 1,598.51        | 47.90             | 1,074.84        | 56.20             | 871.13          | 50.16             |
| Employee Benefits Expense  | 1,812.71         | 16.46             | 921.03          | 12.45             | 416.84          | 12.49             | 289.67          | 15.15             | 233.14          | 13.42             |
| Finance Costs  | 325.02           | 2.95              | 335.33          | 4.53              | 249.89          | 7.49              | 159.19          | 8.32              | 230.99          | 13.30             |
| Depreciation And Amortization Expense                                      | 184.97           | 1.68              | 158.89          | 2.15              | 101.00          | 3.03              | 46.45           | 2.43              | 40.58           | 2.34              |
| Administrative and other Expenses  | 675.33           | 6.13              | 442.30          | 5.98              | 508.02          | 15.22             | 253.98          | 13.28             | 171.53          | 9.88              |
| <b>Total Expenses</b>  | <b>9,774.59</b>  | <b>88.75</b>      | <b>6,461.91</b> | <b>87.33</b>      | <b>2874.26</b>  | <b>86.13</b>      | <b>1,824.13</b> | <b>95.38</b>      | <b>1547.37</b>  | <b>89.10</b>      |
| Profit before exceptional and extraordinary items and tax (A-B)            | 1,239.51         | 11.25             | 937.09          | 12.67             | 462.82          | 13.87             | 88.30           | 4.62              | 189.38          | 10.90             |
| Exceptional/Prior Period item  | -                | -                 | -               | -                 | -               | -                 | -               | -                 | -               | -                 |
| <b>Profit Before Tax</b>   | <b>1,239.51</b>  | <b>11.25</b>      | <b>937.09</b>   | <b>12.67</b>      | <b>462.82</b>   | <b>13.87</b>      | <b>88.30</b>    | <b>4.62</b>       | <b>189.38</b>   | <b>10.90</b>      |
| Provision for Tax  |                  | -                 |                 | -                 |                 | -                 |                 | -                 |                 | -                 |
| - Current Tax  | 447.30           | 4.06              | 321.36          | 4.34              | 128.28          | 3.84              | 29.20           | 1.53              | 41.83           | 2.41              |
| - Wealth Tax   | -                | -                 | -               | -                 | 4.82            | 0.14              | 4.99            | 0.26              | 5.14            | 0.30              |
| - Deferred Tax Liability / (Asset)   | (21.61)          | (0.20)            | (12.02)         | (0.16)            | (5.00)          | (0.15)            | (2.93)          | (0.15)            | (2.34)          | (0.13)            |
| MAT Credit Entitlement   | -                | -                 | -               | -                 | -               | -                 | -               | -                 | -               | -                 |
| Short/(Excess) Tax adjustment of prior years                               | -                | -                 | -               | -                 | -               | -                 | -               | -                 | -               | -                 |
| <b>Restated profit after tax for the period from continuing operations</b> | <b>813.82</b>    | <b>7.39</b>       | <b>627.75</b>   | <b>8.48</b>       | <b>334.71</b>   | <b>10.03</b>      | <b>57.04</b>    | <b>2.98</b>       | <b>144.75</b>   | <b>8.33</b>       |



## Key Components of Company's Profit And Loss Statement

**Revenue from operation:** Revenue from operations mainly consists of revenue from Share brokering business brokerage income, proprietary/own trading, dividend income, transaction charges received and revenue from depositary operations.

**Other Income:** Other income primarily comprises of Interest Income, profit on sale of assets.

**Expenses:** Company's expenses consist of cost of operations, employee benefits expense, administration & Other Expenses, finance costs, depreciation and amortization expenses.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses, Contribution to ESIC & PF, Bonus to Employees and Provision for Gratuity.

**Finance Costs:** Finance cost comprises interest on Indebtedness, Bank charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a Written down value Method (WDV method) as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Administration & Other Expenses:** Other expenses include rent, electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc.

## Financial Performance Highlights for the year period ended 31<sup>st</sup> March, 2017

**Total Income:** The Company's total income during the period ended March 31<sup>st</sup>, 2017 was ₹ 11014.10 Lacs. The revenue from operations was ₹ 10635.98 Lacs which comprised 96.57% of company's total income for the period ended March 31<sup>st</sup>, 2017.

**Total Expenses:** The total expenditure during the year ended March 31<sup>st</sup>, 2017 was ₹ 9774.59 Lacs. The total expenditure represents 88.75% of the total revenue. The total expenses are represented by Cost of operations, Employee Benefits Expense, Administrative and other Expenses, Finance Costs, Depreciation and Amortization Expense. The main constituent of total expenditure is Cost of operations, which is ₹ 6776.56 Lacs.

**Profit/ (Loss) after tax:** The restated net profit during the year ended March 31<sup>st</sup>, 2017 was ₹ 813.82 Lacs representing 7.39% of the total revenue of the Company.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

**Total Income:** During the year 2016-17 the total revenue of the company increased to ₹ 11014.10 Lacs as against ₹ 7399.00 Lacs in the year 2015-16, representing an increase of 52.70% of the total revenue. This increase was mainly due to increase in operations and own trading.

**Other Income:** Other income of the Company for the year 2016-17 was ₹ 378.12 Lacs in comparison with ₹ 433.93 Lacs for F.Y. 2015-16.

**Total Expenses:** The total expenditure for the year 2016-17 increased to ₹ 9774.59 Lacs from ₹ 6461.91 Lacs in year 2015-16, representing an increase of 51.26 % to the previous year.

**Cost of operations:** The Cost of operations for the year 2016-17 increased to ₹ 6776.56 Lacs from ₹ 4604.37 Lacs, representing an increase of 47.18 % to the 2015-16.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increased to ₹ 1812.71 Lacs during the F.Y. 2016-17 from ₹ 921.03 Lacs in the previous year 2015-16.

**Finance Costs:** Finance cost for the year 2016-17 decreased to ₹ 325.02 Lacs as against ₹ 335.33 Lacs of the year 2015-16.

**Depreciation and Amortization Expense:** Depreciation for the year 2016-17 stood at ₹ 184.97 Lacs calculated at WDV method as per companies Act. For the year 2015-16 the same was ₹ 158.89 Lacs.



**Administrative and other Expenses:** Administrative and other Expenses include rent, electricity, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses increased to ₹ 675.33 Lacs for the year 2016-17 as against ₹ 442.30 Lacs of the year 2015-16.

**Profit/ (Loss) Before Tax:** The company's profit before tax for F.Y. 2016-17 was Rs 1239.51 Lacs as against ₹ 937.09 Lacs in the year 2015-16 representing an increase of 32.27 % to the previous year.

**Profit/ (Loss) After Tax :** For the year 2016-17 the profit stood at ₹ 813.82 Lacs as against the profit of ₹ 627.75 Lacs for the year 2015-16, representing an increase of 29.64% to the previous year.

#### COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

**Total Income:** During the year 2015-16 the total revenue of the company increased to ₹ 7399.00 Lacs as against ₹ 3337.09 Lacs in the year 2014-15, representing a increase of 121.72% of the total revenue. This increase was mainly due to increase in profits from own trading business.

**Other Income:** Other income of the Company for the year 2015-16 was ₹ 433.93 Lacs in comparison with ₹ 327.30 Lacs for F.Y. 2014-15.

**Total Expenses:** The total expenditure for the year 2015-16 increased to ₹ 6461.91 Lacs from ₹ 2874.26 Lacs in year 2014-15, representing an increase of 124.82% to the previous year. This was due to increase in volume of business, which resulted in increase in expenses viz. Cost of operations.

**Cost of operations:** The Cost of operation for the year 2015-16 increased to ₹ 4604.37 Lacs from ₹ 1598.51 Lacs, representing an increase of 188.04% to the previous year.

**Employee Benefits Expense:** The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increase to ₹ 921.03 Lacs during the F.Y. 2015-16 from ₹ 416.84 Lacs in the previous year 2014-15.

**Finance Costs:** Finance cost for the year 2015-16 increased to ₹ 335.33 Lacs as against ₹ 249.89 Lacs of the year 2014-15. This increase in amount was due to increase in borrowings of the Company.

**Depreciation and Amortization Expense:** Depreciation for the year 2015-16 stood at ₹ 158.89 Lacs calculated at WDV method as per companies Act. For the year 2014-15 the same was ₹ 101.00 Lacs.

**Administrative and other Expenses:** Administrative and other Expenses include rent, electricity, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses were for the year 2015-16 decreased to ₹ 442.30 Lacs as against ₹ 508.02 Lacs of the year 2014-15.

**Profit/ (Loss) Before Tax** The company's profit before tax for F.Y. 2015-16 increase to Rs 937.09 Lacs from ₹ 462.82 Lacs in the year 2014-15 representing a increase of 102.47% compared to the previous year.

**Profit/ (Loss) After Tax** For the year 2015-16 the profit stood at ₹ 627.75 Lacs as against the profit of ₹ 334.71 Lacs for the year 2014-15.

#### COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

**Total Income:** During the F.Y. 2014-15 the total income of the Company increased to ₹ 3337.09 Lacs as against previous financial year 2013-14 of ₹ 1912.43 Lacs representing an increase of 74.49%. This increase was mainly due to increase in revenue from operations.

**Total Expenses:** Total expenditure for the F.Y. 2014-15 increased to ₹ 2874.26 Lacs from ₹ 1824.13 Lacs in FY 2013-14 representing an increase of 57.57%. This was due to increase in expenses viz. Cost of operations, employees benefit expenses, Administrative and other Expenses.

**Employee benefits expense:** Employee benefits expense increased to ₹ 416.84 Lacs in the year F.Y 2014-15 from ₹ 289.67 Lacs in FY 2013-14, representing an increase of 43.90%.



**Finance Costs:** Finance costs increased to ₹ 249.89 Lacs in F.Y 2014-15 as compared to F.Y 2013-14 in which it was ₹ 159.19 Lacs

**Depreciation and amortization expense:** Depreciation and amortization expense increased in FY 2014-15 to ₹ 101.00 Lacs from ₹ 46.45 Lacs compared to previous year FY 2013-14.

**Administrative and other Expenses:** Other expenses for the F.Y 2014-15 increased to ₹ 508.02 Lacs whereas it was ₹ 253.98 Lacs in previous F.Y. 2013-14.

**Net Profit before tax:** Net Profit before tax for the F.Y 2014-15 was ₹ 462.82 Lacs as against profit of ₹ 88.30 Lacs for the previous year 2013-14.

**Profit after tax:** The Restated profit after tax for the F.Y 2014-15 was at ₹ 334.71 Lacs as against a profit of ₹ 57.04 Lacs in the previous year 2013-14.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. Except as disclosed in this Prospectus, there are no unusual or infrequent events or transactions in our Company.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 14 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by movement of the Stock market, demand in the Stock brokering business and government policies.

**5. Total turnover of each major industry segment in which our Company operates**

The Company is in the business of Share brokering business brokerage income, proprietary/own trading, dividend income, transaction charges received and revenue from depository operations. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 100 of this Prospectus.

**6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Our company has received the approval from SEBI for Research Analyst and also an application has been filed with Securities and Exchange Board of India for the registration of Company as a Portfolio Manager.

**7. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product.

**8. Seasonality of business**



Our Company's business is not seasonal in nature.

**9. *Dependence on few customers/ clients***

Our revenue is not dependent on a single or a few customers.

**10. *Competitive conditions***

Competitive conditions are as described under the Chapters "*Industry Overview*" and "*Our Business*" beginning on page 100 and 106 respectively of the Prospectus.

**11. *Details of material developments after the date of last balance sheet i.e. March 31, 2017***

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act ) against our Company, Promoter, Group Companies and Directors as of the date of this Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI(ICDR) Regulations,2009 as amended for creditors where outstanding due to any one of them exceeds 10 % of the consolidated trade payables as per the last audited financial statement.*

*Further, Our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations,2009 as amended for disclosure of all pending litigation involving the Issuer, its directors, promoters and group companies, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 1% of the Profit after tax of our Company as per the last audited financial statement and where the amount is not quantifiable, such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation.*

#### **PART 1: CONTINGENT LIABILITIES OF OUR COMPANY**

| Particulars                                     | Amount (in Lacs) |
|---|------------------|
| Bank Guarantee issued to third parties by banks | 3080.00          |
| Other Claims against the company under appeal   | 8.96             |
| <b>TOTAL</b>                                    | <b>3088.96</b>   |

#### **PART 2: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

##### **1) Litigation involving Criminal Laws**

NIL

##### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

##### **SEBI**

1. An adjudication proceeding under SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 was initiated against our Company by a Show Cause Notice under Rule 4(1) dated August 6, 2015 from SEBI r/w order dated April 24, 2015 of the adjudicating officer, in the matter of self-trading in the scrip of United Spirits Limited creating instances of market manipulation, for violation of Regulation 3 (a) to (d), 4(1) & 4(2) (a) and 4 (2) (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and Clauses A (3), A (4) and A (5) of the Code of Conduct under Schedule II r/w Regulation 7 of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992, during the period of January 2, 2012 to November 30, 2012, to inquire into and adjudicate under Section 15HA and 15HB of the SEBI Act, 1992 in the scrip of United Spirits Limited on both NSE and BSE. The Company has made detailed submissions and has submitted that the self-trade is made under algorithmic trading software which is an approved mode of transaction under the regulations vide their letter dated 20.10.2015, 23.10.2015 and 25.4.2017. The matter was put for final hearing and order on April 27, 2017, the order is awaited receipt. If found guilty, the penalty under Section 15HA on the company shall be of Rs. 25,00,00,000/- or three times the amount of profit whichever is higher.



### 3) Litigation involving Tax Liability

#### For Assessment year 2010-11

For A.Y. 2010-11, a demand notice was issued against our Company u/s 156 of the Income Tax Act, 1961, for an amount of Rs. 8,60,420/-, in pursuance of the Assessment Order dated 21.03.2013, wherein the income of Rs. 6,68,818/- was disallowed to our Company. Out of this amount of Rs. 6,68,818/-, an amount of Rs. 7,500/- was added by disallowing the depreciation claimed by our Company @ 15% on plant and machinery, and an amount of Rs. 6,61,318/- was added by disallowing this amount as dividend income in the Profit and Loss account, which was claimed as exempt by our Company u/s 10(34). The total outstanding under the said year is Rs. 8,60,420/-. Our Company has filed a Rectification Application u/d Section 154 against the said Assessment Order and has requested that the demand raised for interest u/s 234C of the Act be deleted.

#### For Assessment year 2013-14

For A.Y. 2013-14, our Company has an outstanding liability of Rs. 35,660/- under Section 245 of the Income Tax Act, 1961 vide demand raised on 1<sup>st</sup> June, 2017 against the company, as per TRACES.

### 4) Other Pending Litigation

#### Shri Anil Kumar v. Share India Securities Limited

The present matter is filed by one Mr. Anil Kumar through Indian Centre of Trade Unions against our company before the Hon'ble Additional District and Sessions Judge and Presiding Officer, Labour Court, Karkardooma Court, Delhi bearing case no. LIR/9954/2016 on 06.02.2017 for illegal termination from services. Mr. Anil Kumar was working as an Executive in the company from 22/12/2009 and that he was employee of the company M/s Share India Commodity Brokers Pvt. Ltd. on the same address as that of our company and thereafter he was transferred to M/s Share India Securities Ltd and on 03/03/2016, he was not allowed to attend his job and was asked to leave the job without any notice and any ground. The matter is *subjudice* and the next date of hearing is 18.01.2018

## B. CASES FILED BY OUR COMPANY

### 1) Litigation involving Criminal Laws

#### Share India Securities Limited v. M/s Jaaz Infotech Pvt. Limited and Ors.

Our Company has filed a criminal complaint no. 301/2013 under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of Chief Metropolitan Magistrate, Shahdara District, Karkardooma Courts, Delhi on against M/s Jaaz Infotech Pvt. Ltd. and others for dishonor of a cheque no. 755276 for an amount of Rs. 70,00,000/- dated 06/08/2013 drawn on ICICI Bank, Chanting Chow Branch, Delhi vide Cheque Return Memo dated 06/09/2013 with the remarks "*funds insufficient*". That against the outstanding amount of Rs. 79,53,491/- due to our Company, the accused directed our Company to produce the abovementioned Cheque, received by us as security, for payment against the amount outstanding to our Company. The total recovery in the mater shall be Rs. 79,53,491/-. The matter is *subjudice* and the next date in the matter is 30.11.17.

#### M/s Share India Securities Limited v. Tenacious Investment Services Pvt. Ltd.

Our company has filed a criminal complaint being Complaint No. 302/2013 under section 138/142 of the Negotiable Instruments Act, 1881 against M/s Tenacious Investment Services Pvt. Ltd. and others for dishonor of a cheque no. 806801 amounting to Rs. 30,00,000/- dated 06/08/2013 drawn on HDFC Bank, Safdarjung Branch, Delhi vide Cheque Return Memo dated 06/09/2013 with the remarks "*funds insufficient*". Our company has contended that the accused company deals in the share trading, i.e. purchase and selling of shares with our company and in the course of the business, the other party deposited a cheque bearing no. 806801 amounting to Rs. 30,00,000/- as a security. That against the outstanding amount amounting to Rs. 30,15,116/- due to our company, the accused company directed our company to produce the abovementioned cheque for payment against the amount outstanding to our





company. The said cheque subsequently got dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 17.10.2017.

*Banwar Lal Sharma v. Share India Securities Limited and Anr.*

The present matter is a Criminal Revision Petition bearing no. 128/2013 filed by Banwar Lal Sharma against our company before the Hon'ble High Court of Delhi on 28/02/2013 against the Order dated 22/02/2013 passed by Ld. Additional Session Judge, Karkarduma Court, Delhi in Criminal Appeal No. 05/2012, which confirmed the judgment of MM, Karkarduma District Court, Delhi, dated April 19, 2012 wherein it has been held that our company, being the complainant in the original matter successfully proved its case under section 138/142 of the Negotiable Instrument Act, 1881. The company in the matter before the Ld. Trial Court contended that the present petitioner, Mr. Banwar Lal Sharma issued a cheque no. 231808 for an amount of Rs. 5,00,000/- dated 13/06/2008 drawn on HDFC Bank Ltd., Jwala Mansion, 42B Asaf Ali Road, New Delhi against the amount outstanding to the company and the said cheque got dishonored vide return memo dated 17/06/2008 with the remark "*payment stopped by drawer*". Our company filed a case under section 138/142 of the N.I. Act, 1881 before the Ld. Trial Court, Karkaduma, Delhi and the Ld. Trial Court was pleased to decide the matter in favour of the company and ordered the accused to undergo simple imprisonment for a period of 4 months and to pay to the complainant an amount of Rs. 6,20,000/-. The accused, has preferred the present petition against the Order of the Court on the grounds that the cheque book was lost with having some signed cheques in it and that the company received one of the cheque of the same lot and that the company has itself filed the details on the cheque and therefore the cheque was not *per se* issued by the present petitioner. The matter is *subjudice* and the matter was last listed on 08/03/2016.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

*FMS Securities Ltd. (Now Share India Securities Limited) v. Vinod M. Goel*

The present matter is an Execution Application No. 342/2008 in the Arbitration Reference No. 474/2002 filed by the company before the Hon'ble High Court of Judicature at Bombay. The present execution application is filed for the execution of the Arbitral Tribunal of the Bombay Stock Exchange Order dated 20/06/2005. In the said Order, the Tribunal was pleased to direct the respondent to pay a sum of Rs. 15,61,719.82/- to the company along with interest @ 9% from 01/04/2001 till payment of the amount. The said order was challenged under section 34 of the Arbitration and Conciliation Act, 1996 by the respondent. The Hon'ble High Court accepted the Application and directed the Stock Exchange to constitute a new Tribunal and decide the matter *de novo* but only if the respondent deposit the amount of Rs. 15,61,719.82/- along with interest within one month otherwise the application shall be deemed to be dismissed and the Arbitration Tribunal Order dated 20/06/2005 shall sustain. The respondent failed to deposit the amount and therefore the Original order became effective. The present Execution Application is filed for the execution of the Arbitration Order dated 20/05/2005. The matter is *subjudice* and the last listing date in the matter was 04.09.2017.

**PART 3: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

*Sanjay Dhama v. Parveen Gupta* (Director, SISL)



The present matter is Criminal Revision Petition bearing Criminal Revision No. 500/2013 before the Court of Hon'ble District and Sessions Judge, Ghaziabad against our Company's director, Mr. Praveen Gupta against the order dated 21/11/2013 on the grounds that the order passed by the Ld. Trial Judge. The revisionist contends that there was an agreement between the parties whereby it was mutually agreed that the revisionist would give an amount of Rs. 46,50,000/- in respect of three plots situated in Ghaziabad, duly authorized by the G.D.A., as was represented by the director, and the amount was not repaid. It was further contended that the agreement was fraud and that no such maps were passed by the G.D.A. for the said plots. The revisionist filed a complaint in the Ld. Trial Court, Ghaziabad under sections 406, 420, 461 and 471 of the Indian Penal Code. The Ld. Trial Court answered in the favour of the director and the opposite party has therefore preferred the present revision petition. The matter is *subjudice* and the next date in the matter is 23.09.2017.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

*M/s Aggarwal Finance Co. vs. M/s AVJ Developers India Pvt. Ltd. & Ors.*

The present matter is filed by M/s Aggarwal Finance Co., through its Partner Mr. Praveen Gupta, who is also a Director in our company, under section 138/142 of the Negotiable Instrument Act, 1881 against M/s AVJ Developers Pvt. Ltd. and Ors. before the Court of Additional Chief Metropolitan Magistrate, Karkardooma Court Complex, Delhi. The present matter is filed in furtherance of the dishonor of three cheques amounting total to Rs. 45,00,000/- vide three cheques dated 30/01/2016 for Rs. 25,00,000/-, another cheque dated 21/03/2016 for Rs. 12,50,000/- and another cheque dated 21/03/2016 for Rs. 7,50,000/- . All the three cheques got dishonored vide cheque return memo dated 22/03/2016. It was contended by the complainant that both the parties entered into an agreement wherein the complainant would invest in a project named as "AVJ Heights" and further the accused would buyback the share of the complainant for a sum of Rs. 1,20,00,000/-. The accused paid some amount before the deadline and however he was required to pay the remaining amount of Rs. 45,00,000/- and therefore the accused company through its director issued three cheques to the firm and which subsequently got dishonored and therefore the firm through Mr. Praveen Gupta has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 25.09.2017.

*M/s. Aggarwal Finance Company v. M/s. J.M. Housing Limited and Ors*

The present criminal complaint no. 1910/2017 has been filed by M/s Aggarwal Finance Co., through its Partner Mr. Praveen Gupta, who is also a Director in our company, under section 138/142 of the Negotiable Instrument Act, 1881 against M/s J.M. Housing Limited and Ors., before the Court of Chief Metropolitan Magistrate, District East, Karkardooma Court, New Delhi. The present matter is filed in furtherance of the dishonor of three cheques, cheque no. 987421 dated 28.2.2017 for Rs. 48,50,131/-, another cheque no. 987320 dated 28.2.2017 for Rs. 6,98,062/- and another cheque no. 987422 dated 28.2.2017 for Rs. 1,49,869/- . All the three cheques got dishonored vide cheque return memo dated 31.3.17 with the remarks "*funds insufficient*". It was contended by the complainant that both the parties entered into an agreement wherein the complainant would invest in a group housing project named as "JM Florance", by virtue of which the complainant invested Rs. 50,00,000/- and further that the accused would buyback the share of the complainant for a sum of Rs. 55,48,193/-. To pay the said amount, the accused issued three cheques to the firm and which subsequently got dishonored and therefore the firm through Mr.



Praveen Gupta has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 14.10.2017.

Praveen Gupta (Director, SISL) v. Sanjay Dhama

Original Matter was filed by Mr. Praveen Gupta against Mr. Sanjay Dhama by an FIR for which the Investigating Officer had submitted a Final Report No. 182/15 dated 15.03.2015 stating that no matter can be framed against Mr. Sanjay Dhama under 420, 406, 467, 468, 471, 504, 506 of IPC. Against the said Final Report No. 182/15 Mr. Praveen Gupta has filed a protest petition with the Chief Judicial Magistrate, Ghaziabad which was admitted by the Hon'ble Session Court after hearing and considering evidence u/S 156(3) of Cr PC in continuation of the original matter no 1246/2014. The matter is *subjudice* and the next date in the matter is 24.10.2017.

Mr. Rajesh Kumar Gupta v. M/s. J.M. Housing Limited and Ors.

The present criminal complaint no. 1911/2017 has been filed by Mr. Rajesh Kumar Gupta under section 138/142 of the Negotiable Instrument Act, 1881 against M/s J.M. Housing Limited and Ors., before the Court of Chief Metropolitan Magistrate, District East, Karkardooma Court, New Delhi. The present matter is filed in furtherance of the dishonor of two cheques, cheque no. 987417 dated 28.2.2017 for Rs. 45,00,000/- and another cheque no. 987317 dated 28.2.2017 for Rs. 5,96,712/- . All the three cheques got dishonored vide cheque return memo dated 31.3.17 with the remarks "*funds insufficient*". It was contended by the complainant that both the parties entered into an agreement wherein the complainant would invest in a group housing project named as "JM Florance", by virtue of which the complainant invested Rs. 46,39,050/- and further that the accused would buyback the share of the complainant for a sum of Rs. 50,96,712/-. To pay the said amount, the accused issued two cheques to the firm and which subsequently got dishonored and therefore the complainant has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 05.12.2017.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

NIL

**PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES****1) Litigation involving Criminal Laws****Windpipe Finvest Pvt. Ltd.***M/s Windpipe Finvest Pvt. Ltd. v. Murad Ali*

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of CMM (East), KKD, Delhi against Murad Ali for dishonor of a cheque for an amount of Rs. 2,50,000/- bearing cheque no. 000004 dated 24/08/2015 drawn on Bank of Baroda, Bhagat Singh Chow Rudrapur, Distt U S Nagar, Uttarakhand vide return memo dated 26/08/2015 with the remarks “*payment stopped by drawer*”. Our company has contended that Mr. Murad Ali approached the company for the finance in order to purchase a vehicle TATA Ace bearing no. UK-OB CA-4167 and the complainant financed the same to the accused and a loan agreement was also executed between the parties. It was agreed between the parties that the company shall give a loan of Rs. 2,00,000/- and the total amount to be recovered was Rs. 2,60,000/-, payable in 22 monthly installments which was to commence w.e.f. 01/07/2013 to 01/05/2015. In order to finally settle the outstanding loan, Mr. Murad Ali gave a cheque amounting to Rs. 2,50,000/- which subsequently got dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 26.09.2017.

*M/s Windpipe Finvest Pvt. Ltd. v. Naseem Ahmad*

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of CMM (East), KKD, Delhi against Naseem Ahmad for dishonor of a cheque for an amount of Rs. 1,90,000/- bearing cheque no. 537472 dated 30/11/2016 drawn on UCO Bank, GT Road, Shahdara, Delhi vide return memo dated 02/12/2016 with the remarks “*funds insufficient*”. Our company has contended that Mr. Naseem Ahmad approached the company for the finance in order to purchase a vehicle TATA 2515 Truck bearing no. HR-27 J-0307 and the complainant financed the same to the accused and a loan agreement was also executed between the parties. It was agreed between the parties that the company shall give a loan of Rs. 4,50,000/- and the total amount to be recovered was Rs. 6,39,000/-, payable in 34 monthly installments which was to commence w.e.f. 09/01/2014 to 09/10/2016. In order to finally settle the outstanding loan, Mr. Naseem Ahmad gave a cheque amounting to Rs. 1,90,000/- which subsequently got dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 09.10.2017.

*M/s Windpipe Finvest Pvt. Ltd. v. Sonveer Singh*

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of CMM (East), KKD, Delhi against Sonveer Singh for dishonor of a cheque for an amount of Rs. 2,50,000/- bearing cheque no. 351799 dated 22/12/2016 drawn on Oriental bank of Commerce, Hatras, Uttar Pradesh vide return memo dated 23/12/2016 with the remarks “*funds insufficient*”. Our company has contended that Mr. Sonveer Singh approached the company for the finance in order to purchase a vehicle M2M Xylo 2010 bearing no. UP-86 J-9580 and the complainant financed the same to the accused and a loan agreement was also executed between the parties. It was agreed between the parties that the company shall give a loan of Rs. 2,20,000/- and the total amount to be recovered was Rs. 2,81,600/-, payable in 23 monthly installments which was to commence w.e.f. 05/06/2014 to 05/04/2016. In order to finally settle the outstanding loan, Mr. Sonveer Singh gave a cheque amounting to Rs. 2,50,000/- which subsequently got dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is - 09.10.2017.

*M/s Windpipe Finvest Pvt. Ltd. v. Ravi Bansal*

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of CMM (East), KKD, Delhi, on 6.4.16, against Ravi Bansal for dishonor of two cheques for an amount of Rs.1,00,000/- bearing cheque no. 241562 dated 12/02/2016, another cheque for an amount of Rs.1,00,000/- bearing cheque no. 241563 dated 15/02/2016, all drawn on Indian Bank, Naveen Shahdara Branch, Delhi vide return memo dated 26/02/2016 and 01/03/2016 respectively with the remarks



“funds insufficient”. Our company has contended that Mr. Ravi Bansal approached the company for the finance in order to purchase a vehicle TATA Truck 2008 bearing no. HR-55G-7725 and the complainant financed the same to the accused and a loan agreement was also executed between the parties. It was agreed between the parties that the company shall give a loan of Rs. 4,50,000/- and the total amount to be recovered was Rs. 6,39,000/-, payable in 34 monthly installments which was to commence w.e.f. 28/10/2013 to 28/07/2016. In order to finally settle the outstanding loan, Mr. Sonveer Singh gave two cheque amounting to Rs. 1,00,000/- each and one amounting to Rs. 30,000/- wherein the cheque amounting to Rs. 30,000/- was duly encashed, but the two cheques amounting to Rs. 1,00,000/- got dishonored therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 26.09.2017.

Manik Kumar & Anr. v. State & M/s Windpipe Finvest Pvt. Ltd.

The present matter is a Criminal Miscellaneous Petition bearing no. CRL.MC. No. 4470/2016 filed by Mr. Manik Kumar and Another against the State and M/s Windpipe FinVest Pvt. Ltd. under section 482 of the Criminal Procedure Code before the Hon’ble High Court of Delhi at New Delhi against Order dated 25/11/2016 and 07/09/2016 passed by Ld. MM, Patiala House Courts, Delhi in CC No. 1648/1/15 under section 138 of N. I. Act, 1881. In this matter, the two cheques, both amounting to Rs. 25,00,000/- each given by the Petitioner to the company got dishonored and subsequently the company filed a criminal complaint under section 138/142 of the N.I. Act, 1881 before the Ld. Trial Court in Delhi. In the meanwhile, the both the parties arrived at a settlement wherein it was agreed that the petitioner would pay Rs. 5 lakhs every month. The petitioners in furtherance of the said arrangement paid Rs. 7,00,000/- but then discontinued to pay the further installment. The Ld. Trial Court issued Non-Bailable Warrant against both the petitioners, being Mr. Manik Kumar and Mr. Ramesh Kumar and started the proceedings under section 82 of the Criminal Procedure Code. An application was preferred by the petitioners in the matter to cancel the non-bailable warrant but the Ld. Trial Court was pleased to dismiss the said application. Against that Order on the Application for cancelation of non-bailable warrant, the petitioners have preferred the present Criminal Miscellaneous Petition before the Hon’ble High Court of Delhi. The matter is *subjudice* and the next date in the matter is 29.01.2018.

M/s Windpipe Finvest Pvt. Ltd. v. M/s Shiv Amrit Construction Pvt. Ltd.

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of CMM (East), KKD, Delhi against M/s Shiv Amrit Constructions Pvt. Ltd. for dishonor of two cheques for an amount of Rs. 25,00,000/- bearing cheque no. 000126 dated 30/03/2015 and another cheque for an amount of Rs. 25,00,000/- bearing cheque no. 000127 dated 30/03/2015, both drawn on HDFC Bank, Kasturba Gandhi Road, CP, New Delhi vide return memo dated 31/03/2015 with the remarks “funds insufficient”. Our company has contended that M/s Shiv Amrit Construction Pvt. Ltd. Company approached our company for a loan to complete a real estate project already commenced by the accused company. It was agreed between the parties that our company shall give a loan of Rs. 50,00,000/- along with interest @ 24% per annum which was to be paid monthly. The accused company paid two post dated cheques, both worth Rs. 25,00,000/- as security and paid Rs. 3,00,000/- as interest against the outstanding interest amount being Rs. 9,00,000/- and principle amount being Rs. 50,00,000/- being outstanding. Our company presented the abovementioned two cheques, both amounting to Rs. 25,00,000/- which were subsequently dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 25.09.2017.

M/s Windpipe Finvest Private Limited v. M/s. J.M. Housing Limited and Ors.

The present criminal complaint no. 1916/2017 has been filed by M/s Windpipe Finvest Private Limited under section 138/142 of the Negotiable Instrument Act, 1881 against M/s J.M. Housing Limited and Ors., before the Court of Chief Metropolitan Magistrate, District East, Karkardooma Court, New Delhi. The present matter is filed in furtherance of the dishonor of two cheques, cheque no. 987423 dated 28.2.2017 for Rs. 50,00,000/- and another cheque no. 993357 dated 28.2.2017 for Rs. 2,25,000/- . All the three cheques got dishonored vide cheque return memo dated 31.03.17 with the remarks “funds insufficient”. It was contended by the complainant that both the parties entered into a loan agreement dated 21.01.2013 wherein the complainant would provide loan to the accused for its group housing project named as “JM Aroma”, and was offered two flats in the project as collateral, by virtue of which the complainant invested Rs. 50,00,000/-. To pay the said amount, the accused issued two cheques to the firm and which



subsequently got dishonored and therefore the complainant has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 05.12.2017.

#### **Anmol Financial Services Limited**

##### *Anmol Financial Services Limited v. Sh. Raj Kumar Singh*

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of ACMM, KKD, Shahdara, Delhi against Shri Raj Kumar for dishonor of a cheque for an amount of Rs. 98,000/- bearing cheque no. 567939 dated 10.04.2009 drawn on ICICI Bank Limited, Anand Vihar Branch vide return memo dated 25.08.2009 with the remarks “*Account Closed*”. Our company has contended that Mr. Raj Kumar approached the company for the finance in order to purchase a TATA 709 bearing no. HR-38H-0176 and the complainant financed the same to the accused and a loan agreement was also executed between the parties. It was agreed between the parties that the company shall give a loan of Rs. 1,30,000/- and the total amount to be recovered was Rs. 1,66,400/-, payable in 24 monthly installments which was to commence w.e.f. 12.06.2007 to 12.05.2009. In order to finally settle the outstanding loan, Mr. Raj Kumar gave a cheque amounting to Rs. 98,000/- which subsequently got dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 26.09.2017.

##### *Anmol Financial Services Limited v. Shiv Kumar*

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of CMM (East), KKD, Delhi against Shri Shiv Kumar for dishonor of a cheque for an amount of Rs. 4,75,000/- bearing cheque no. 063406 dated 5.7.2016 drawn on ICICI Bank Limited, Faridabad Sector 35 vide return memo dated 7.7.2016 with the remarks “*Funds Insufficient*”. Our company has contended that Mr. Shiv Kumar approached the company for the finance in order to purchase a TATA Truck bearing no. HR-55E-5237 and the complainant financed the same to the accused and a loan agreement was also executed between the parties. It was agreed between the parties that the company shall give a loan of Rs. 4,00,000/- and the total amount to be recovered was Rs. 5,12,000/-, payable in 22 monthly installments which was to commence w.e.f. 15.01.2013 to 15.11.2014. In order to finally settle the outstanding loan, Mr. Shiv Kumar gave a cheque amounting to Rs. 4,75,000/- which subsequently got dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 14.09.2017.

##### *Anmol Financial Services Limited v. Vinod Kumar*

Our company has filed a criminal complaint under section 138/142 of the Negotiable Instrument Act, 1881 before the Court of CMM (East), KKD, Delhi against Shri Vinod Kumar for dishonor of a cheque for an amount of Rs. 3,25,000/- bearing cheque no. 986839 dated 1.12.2015 drawn on State Bank of Patiala, Mayur Vihar on 3.12.2015 with the remarks “*Funds Insufficient*”. Our company has contended that Mr. Vinod Kumar approached the company for the finance in order to purchase a TATA Truck 2006 bearing no. UP-13T-2713 and the complainant financed the same to the accused and a loan agreement was also executed between the parties. It was agreed between the parties that the company shall give a loan of Rs. 4,50,000/- and the total amount to be recovered was Rs. 6,52,500/-, payable in 34 monthly installments which was to commence w.e.f. 7.5.2011 to 7.2.2014. In order to finally settle the outstanding loan, Mr. Vinod Kumar gave a cheque amounting to Rs. 3,25,000/- which subsequently got dishonored and therefore the company has filed the present complaint under the relevant provisions of law. The matter is *subjudice* and the next date in the matter is 15.12.2017.

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Litigation involving Tax Liability**

NIL

#### **4) Other Pending Litigation**





NIL

**PART 5: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 10% of our Company's total Trade Payables as per latest financial statements to small scale undertakings and other creditors as material dues for our Company. As on March 31, 2017, there is 1 creditor to whom our Company owes amounts exceeding 10% of our Company's Trade Payables for Goods & Expenses and the aggregate outstanding dues to them being approximately Rs. 335.00 lakhs. Further, our Company has not received any intimation from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the yearend together with interest payable as required under the said Act have not been furnished. Therefore, as on March 31, 2017, our Company owes amounts aggregating to Rs. 2343.52 lacs approximately towards creditors as per Restated Standalone Financial Statements, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors will be available on the website of our Company at the following link: [www.shareindia.com](http://www.shareindia.com)

**PART 6: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 228 there have been no material developments that have occurred after the Last Balance Sheet Date.





## GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

### APPROVALS FOR THE ISSUE

- a. Our Board of Directors have, pursuant to a resolution passed at its meeting held on July 06, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b. Our Board of Directors have, pursuant to a resolution passed at its meeting held on July 06, 2017 authorized the Offer for sale by selling shareholders, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013 and such other authorities as may be necessary
- c. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Extra ordinary General Meeting of shareholders held on July 22, 2017.
- d. Our Company has obtained approval from SME platform of BSE by way of a letter dated September 13, 2017 to use the name of the Stock Exchange in this Prospectus for listing of Equity Shares on the Stock Exchange.

#### **A. Incorporation related Approvals:**

| S. no | Nature of Registration/ License   | Registration/License No.             | Applicable Laws                           | Issuing Authority   | Date of issue     | Date of Expiry       |
|-------|---|--------------------------------------|---|---|-------------------|----------------------|
| 1.    | Certificate of Incorporation as Limited Company - in the name 'FMS SECURITIES LIMITED'          | 02-04175 of 1994-95                  | Companies Act, 1956                       | Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong | July 12, 1994     | Valid till cancelled |
| 2.    | Certificate of Commencement of Business   | 02-04175 of 1994-95                  | Companies Act, 1956                       | Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong | July 20, 1994     | Valid till cancelled |
| 3.    | Certificate of registration of CLB Order dated August 9, 2000 for change of State of Registered | U67120D L2000PL C108970 <sup>®</sup> | Companies Act, 1956 (Section 18(3) of the | Dy. Registrar of Companies, NCT of Delhi & Haryana  | December 21, 2000 | Valid till cancelled |



|    |   |                               |  |  |               |                      |
|----|---|-------------------------------|--|--|---------------|----------------------|
|    | office of Company from the State of Assam to the NCT of Delhi   |                               | Companies Act, 1956)   |  |               |                      |
| 4. | Certificate of Special Resolution confirming Alteration of Object Clause(s)   | U67120D<br>L1994PL<br>C108970 | Companies Act, 1956 (Section 18(1) (A) of the Companies Act, 1956) | Dy. Registrar of Companies, NCT of Delhi & Haryana | April 1, 2009 | Valid till cancelled |
| 5. | Fresh Certificate of Incorporation consequent upon change of name from <i>FMS Securities Ltd</i> to <i>Share India Securities Ltd.</i>                | U67120D<br>L1994PL<br>C108970 | Companies Act, 1956  | Registrar of Companies, NCT of Delhi & Haryana     | July 15, 2010 | Valid till cancelled |
| 6. | Certificate of Registration of Company Law Board order dated April 17, 2012 for Change of State from the State of Delhi to the State of Uttar Pradesh | U67120U<br>P1994PLC<br>050209 | Companies Act, 1956  | Registrar of Companies, Uttar Pradesh              | May 2, 2012   | Valid till cancelled |

@the year of incorporation in the CIN of the Company has erroneously been mentioned as 2000 instead of Year 1994 which was lately corrected by Ministry of Corporate affairs suo-moto. The correct year of incorporation is also reflecting in further COI issued by MCA on April 1, 2009.

#### B. Taxation Related Approvals:

| S. no | Nature of Registration/ License                                  | Registration/Licence No. | Applicable Laws                                       | Issuing Authority                            | Date of issue   | Date of Expiry       |
|-------|--|--------------------------|---|--|---|----------------------|
| 1.    | Permanent Account Number (PAN)                                   | AAACF6462E               | Income Tax Act, 1961                                  | Commissioner of Income Tax                   | August 19, 2010   | Valid till cancelled |
| 2.    | TAN (Tax Deduction Account Number)                               | DELF01850F               | Income Tax Act 1961                                   | Income Tax Department                        | --*   | Valid till cancelled |
| 3.    | Certificate of Importer-Exporter Code (IEC)                      | 0514046261               | The Foreign Trade(Development & Regulation) Act, 1992 | Foreign Trade Development Officer, New Delhi | September 9, 2014   | Valid till cancelled |
| 4.    | Service Tax Registration (Taxable Services: Stockbroker Service) | AAACF6462E<br>ST001      | The Finance Act, 1994                                 | Central Excise Officer, New Delhi            | Amendment dated February 19, 2016 (original date of Issue May 14, 2009) | Valid till cancelled |

\*the Company does not have in its possession the TAN allotment letter.

#### C. Business Related Certifications:

| S. no | Nature of Registration/ License | Registration/Licence No. | Applicable Laws             | Issuing Authority     | Date of issue  | Date of Expiry       |
|-------|---------------------------------|--------------------------|-----------------------------|-----------------------|----------------|----------------------|
| 1.    | Certificate of Registration as  | INB011079838             | Regulation 6 of SEBI (Stock | Securities & Exchange | March 06, 2000 | Valid till cancelled |



|    |   |               |   |   |                    |                      |
|----|---|---------------|---|---|--------------------|----------------------|
|    | Member of BSE (Stock Broker)  |               | Brokers and Sub-Brokers), Regulations, 1992                               | Board of India                              |                    |                      |
| 2. | Certificate of Registration as Trading Member of BSE (Trading and (or) Clearing member for carrying on activities of dealing in derivatives)                        | INF011079838  | Regulation 16D of SEBI (Stock Brokers and Sub-Brokers), Regulations, 1992 | Securities & Exchange Board of India        | May 24, 2007       | Valid till cancelled |
| 3. | Certificate of Registration as Trading Member of BSE (Trading and/or Clearing member for dealing in currency derivatives)   | INE011079838  | Regulation 16M of SEBI (Stock Brokers and Sub-Brokers), Regulations, 1992 | Securities & Exchange Board of India        | September 25, 2008 | Valid till cancelled |
| 4. | Certificate of Registration as Member National Stock Exchange (NSE) (Stock Broker) (Multiple Member)  | INB231079832  | Regulation 6 of SEBI (Stock Brokers and Sub-Brokers), Regulations, 1992   | Securities & Exchange Board of India        | June 14, 2012      | Valid till cancelled |
| 5. | Certificate of Registration as Trading Member National Stock Exchange (NSE) (Trading and (or) Clearing Member for carrying on dealings in currency derivatives)     | INE231079832  | Regulation 16M of SEBI (Stock Brokers and Sub-Brokers), Regulations, 1992 | Securities & Exchange Board of India        | June 14, 2012      | Valid till cancelled |
| 6. | Certificate of Registration as Trading Member National Stock Exchange (NSE) (Trading and (or) Clearing Member for carrying on activities of dealing in derivatives) | INF231079832  | Regulation 16D of SEBI (Stock Brokers and Sub-Brokers), Regulations, 1992 | Securities & Exchange Board of India        | June 14, 2012      | Valid till cancelled |
| 7. | Certificate of Registration as Depository Participant   | IN-DP-32-2015 | Regulation 20A of (Depositories and Participants) Regulations, 1996       | Securities & Exchange Board of India        | February 16, 2015  | Valid till cancelled |
| 8. | Certificate of Registration (AMFI Registered Mutual Fund Advisor)   | ARN- 78041    | SEBI (Investment Advisers) Regulations 2013                               | Association of Mutual Funds in India (AMFI) | November 18, 2016  | November 17, 2019    |
| 9. | Certificate of Registration as  | INH100005011  | Regulation 9 of SEBI (Research  | Securities & Exchange                       | July 14, 2017      | Valid till cancelled |



|     |  |                   |   |   |   |                       |
|-----|--|-------------------|---|---|---|-----------------------|
|     | Research Analyst                               |                   | Analysts) Regulations, 2014   | Board of India                                |   |                       |
| 10. | Registration as Depository Participant of CDSL | CDSL DP Id-38000  | Depositories Act, 1996 and Bye-laws of Central Depositories Services (India) Limited (CDSL) | Central Depositories Services (India) Limited | # | Valid till cancelled# |
| 11. | BSE membership Code                            | BSE Clg. No.-0226 | Securities Contract Regulation Act, 1956 and Bye-laws of BSE Limited                        | BSE Limited                                   | # | Valid till cancelled# |
| 12. | NSE membership Code                            | NSE-10798         | Securities Contract Regulation Act, 1956 and Bye-laws of NSE                                | The National Stock Exchange of India Limited  | # | Valid till cancelled# |

#The Company is not in possession of its registration as Depository Participant of CDSL, Clearing member of BSE and Clearing member of NSE.

#### D. Industrial, Labour and Technical Related Approvals:-

| S. no | Nature of Registration/ License   | Registration/License No. | Applicable Laws   | Issuing Authority  | Date of issue  | Date of Expiry       |
|-------|---|--------------------------|---|--|----------------|----------------------|
| 1.    | Registration of Employees under Employees' State Insurance Corporation (ESIC) | 10001103720000910        | Employees State Insurance Act, 1948                             | Regional Director Employees State Insurance Corporation, Delhi                         | June 28, 2010  | Valid till cancelled |
| 2.    | Registration under Employees' Provident Funds (EPF)                           | DSSHD0035077000          | Employees Provident Fund and Miscellaneous Provisions Act, 1952 | Employees Provident Fund Organisation Sub-Regional Office, Provident fund Commissioner | April 20, 2007 | Valid till cancelled |

#### E. Goods and Service Tax Registrations

| S. no | Address of Principal Place of Business  | Registration No./ GSTIN | Applicable Laws   | Issuing Authority                           | Date of Issue | Date of Expiry       |
|-------|---|-------------------------|---|---|---------------|----------------------|
| 1.    | Registration under Goods and Service Tax for its Corporate office at 14,Dayanand Vihar, Vikas Marg, Laxmi Nagar, East Delhi, Delhi-110092 | 07AAACF6462E1ZT         | Central Goods and Services Tax Act, 2017 and the Delhi Goods and Services Tax Act, 2017 | Government of India And Government of Delhi | 27/06/2017    | Valid till cancelled |
| 2.    | Registration under  | 09AAACF64               | Central Goods   | Government of                               | 27/06/201     | Valid till           |



|    |   |                     |   |   |               |                      |
|----|---|---------------------|---|---|---------------|----------------------|
|    | Goods and Service Tax, for its Registered office at 6th Milestone, New Bhai-Chara Complex, Opp Mata Mandir, Chikambarpur UP Border, Sahibabad, U.P-201006,  | 62E1ZP              | and Services Tax Act, 2017 and the U. P. Goods and Services Tax Act 2017                            | India And Government of Uttar Pradesh             | 7             | cancelled            |
| 3. | Certificate of Provisional Registration under GST, For Assam for Authorised person address at 3rd floor, Room no 10, Saraf Building Annexe, AT Road, Assam  | 18AAACF64<br>62E1ZQ | Central Goods and Services Tax Act, 2017 and Assam Goods and Services Tax (Assam GST) Act 2017      | Government of India And Government of Assam       | July 19, 2017 | Valid till cancelled |
| 4. | Certificate of Provisional Registration under GST, For Haryana for Branch22,Aggarsain Market, Near Green Field, Square Market, Hissar, Haryana  | 06AAACF64<br>62E1ZV | Central Goods and Services Tax Act, 2017 and The Haryana Goods And Services Tax Act, 2017           | Government of India And Government of Haryana     | June 27, 2017 | Valid till cancelled |
| 5. | Registration Certificate under GST for Maharashtra for the Branch at Unit No. 607, Agarwal B2B Centre, Malad West, Mumbai City, Maharashtra, 400064   | 27AAACF64<br>62E1ZR | Central Goods and Services Tax Act, 2017 and Goods and Maharashtra Goods and Services Tax Act, 2017 | Government of India And Government of Maharashtra | July 12, 2017 | Valid till cancelled |
| 6. | Registration Certificate under GST for Punjab for the Authorised persona ddress at 1st floor, Shiv Shakti Investment, Nitco Lane near chikitsa hospital, Dalhousie Road, Pathankot, Pathankot, Punjab, 145001 | 03AAACF64<br>62E1Z1 | Central Goods and Services Tax Act, 2017 and The Punjab Goods and Services Tax Act, 2017            | Government of India                               | July 28, 2017 | Valid till cancelled |
| 7. | Certificate under GST for Rajasthan for the address at 1st B Road, Madan Lal Building, Near Goru Misthan Bhandar, Sardarpura, Jodhpur   | 08AAACF64<br>62E1ZR | Central Goods and Services Tax Act, 2017 and The Rajasthan Goods And Services Tax Act,2017          | Government of India                               | July 27, 2017 | Valid till cancelled |
| 8. | Certificate under GST for Hyderabad for the Authorised person address at 3-5-806/2, shop no 13, Swamy Towers, Hyderguda, Hyderabad  | 36AAACF64<br>62E1ZS | Central Goods and Services Tax Act, 2017 and The Telangana Goods And Services Tax Act, 2017         | Government of India And Government of Telangana   | July 16, 2017 | Valid till cancelled |
| 9. | Certificate under GST   | 05AAACF64           | Central Goods   | Government of                                     | July 16,      | Valid till           |





|     |   |                     |  |   |               |                      |
|-----|---|---------------------|--|---|---------------|----------------------|
|     | for Uttarakhand for the Authorised person address at A-19, Ring Road, Awas Vikas Ward No.19, Rudrapur, Udham Singh Nagar          | 62E1ZX              | and Services Tax Act, 2017 and Uttarakhand Goods And Service Tax Act, 2017               | India And Government of Uttarakhand               | 2017          | cancelled            |
| 10. | Registration certificate under GST for the Authorised person address at J 1/16, Section V, Salt Lake, Kolkata, West Bengal-700091 | 19AAACF64<br>62E1ZO | Central Goods and Services Tax Act, 2017 and West Bengal Goods And Service Tax Act, 2017 | Government of India And Government of West Bengal | July 12, 2017 | Valid Till Cancelled |

#### F. Certificates Applied For:

**Application for registration as Portfolio Manager with SEBI:** Our company has made an application with SEBI for the Grant of Certificate of Registration as a Portfolio Manager dated March 28, 2017. However the online filing of the said application is pending.

#### G. Intellectual Property Rights Certifications:

| S. no | Trademark No/Application No. and Class | Trademark Name and Logo   | Applicable Laws       | Date of Application | Status     |
|-------|--|---|-----------------------|---------------------|------------|
| 1.    | Application No. 2026505<br>Class: 36   |    | Trade Marks Act, 1999 | 21/09/2010          | Registered |
| 2.    | Application No. 3347704<br>Class: 36   |  | Trade Marks Act, 1999 | 29/08/2016          | Objected   |

#### H. Domain Name registered in the name of the Company:

| S. No. | Domain Name and ID   | Sponsoring Registrar and IANA ID         | Creation Date  | Expiry Date    |
|--------|--|--|----------------|----------------|
| *1.    | <a href="http://www.shareindia.com">www.shareindia.com</a> | Onlinenic Inc<br>(Registrar IANA ID: 82) | April 28, 2004 | April 28, 2021 |

#### I. Business related Major Software Licenses in the name of Company

| S. No. | Software Name and version               | License Vendor               | Valid from | Valid upto   |
|--------|---|------------------------------|------------|--------------|
| 1.     | Inhouse Ver. 1.0x                       | Inhouse                      | 01-Sept-17 | 30-Sept-17   |
| 2.     | ODIN Ver. 10.0.2.0                      | 63 Moons Technologies Ltd    | 23-Jul-17  | 23- Nov-2017 |
| 3.     | NOW Ver. 1.13.6.0                       | Dotex International Ltd      | NA         | NA           |
| 4.     | GETSVer 3.x/4.x                         | Greeksoft Technologies P Ltd | 02-Aug-17  | 04-Oct-2017  |
| 5.     | uTradeVer 1.7.4.5- RMS<br>1.0x* Trading | uTrade Solutions P Ltd       | 03-Aug-17  | 17-Oct-2017  |
| 6.     | Savior Ver 1.0.0.0                      | Rising Technosoft P Ltd      | 22-Jun-17  | 21-Jun-18    |

#### J. VSAT lines in the name of Company:

The Company has 19 lease lines and 8 VSAT lines being used for its business from different internet service providers.



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Fresh Issue**

The Board of Directors, pursuant to a resolution passed at their meeting held on July 06, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra-ordinary General Meeting held on July 22, 2017 authorized the Issue.

#### **Offer for Sale**

The Offer for Sale has been authorized by a resolution of the Board of Directors of the Company passed at their meeting held on July 06, 2017 and approval of shareholders has been taken by passing special resolution passed under section 28 of the Companies Act, 2013 at an Extra-ordinary General Meeting held on July 22, 2017.

The Selling Shareholders have authorized the transfer of Equity Shares pursuant to the Offer as set out in below table.

| <b>Sr No</b> | <b>Name of Selling Shareholder</b> | <b>Date of Authorization Letter</b> | <b>Number of Equity Shares offered for sale</b> |
|--------------|------------------------------------|-------------------------------------|---|
| 1            | Parveen Gupta                      | July 21, 2017                       | 50,000  |
| 2            | Rajesh Kumar Gupta                 | July 21, 2017                       | 75,000  |
| 3            | Rekha Gupta                        | July 21, 2017                       | 100,000   |
| 4            | Yashpal Gupta                      | July 21, 2017                       | 100,000   |
| 5            | Sachin Gupta                       | July 21, 2017                       | 100,000   |
| 6            | Tripti Gupta                       | July 21, 2017                       | 75,000  |
|              | <b>Total</b>                       |                                     | <b>5,00,000</b>                                 |

The Equity shares being offered by the Selling Shareholders have been held for a period of at least one year prior to the date of filing of this Prospectus and, hence, eligible for being offered for sale in the Offer. The Selling Shareholders have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and to be sold are free from any lien, encumbrance or third party rights.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in this Draft Prospectus/Prospectus pursuant to an approval letter dated September 13, 2017 BSE is the Designated Stock Exchange.

#### **Prohibition by SEBI or governmental authorities**

We confirm that there is no prohibition on our Company, Selling Shareholders, our Promoters, our Promoters Group, our Directors, our Group Companies or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Selling Shareholders, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

#### **Association with Securities Market**

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors except as disclosed in the Prospectus.





## Prohibition by RBI

Neither our Company, Selling Shareholders, our Promoters, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “**Outstanding Litigations and Material Development**” beginning on page 241 of the Prospectus.

## Eligibility for the Issue

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than Rs. 10 Crores but less than Rs. 25 Crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE”).

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue is 100% underwritten and that the LM to the Issue Shall underwrites minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “**General Information – Underwriting**” beginning on page 49 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the LM and will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled “**General Information – Details of the Market Making Arrangements for this Issue**” beginning on page 49 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for listing on SME Exchange Platform BSE laid down under circular dated April 1, 2015

(<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>), which states as follows:



1. Net Tangible Assets of at least ₹ 3 Crore as per the latest audited financial results (as restated).
2. Net worth (excluding revaluation reserves) of at least ₹ 3 crore as per the latest audited financial results (as restated)
3. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 5 Crores.
4. Distributable Profit, Net Tangible Assets and Net worth of the Company as per the restated financial statements for the year ended March 31, 2017, March 31, 2016, and March 31, 2015, is as set forth below:-

(Amount in Rs Lacs)

| Particulars           | As at          |                |                |
|-----------------------|----------------|----------------|----------------|
|                       | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| Distributable Profit* | 813.82         | 627.75         | 334.71         |
| Net Tangible Assets** | 3,177.15       | 2,420.85       | 1,699.88       |
| Net Worth***          | 3,304.22       | 2,490.41       | 1,739.19       |

\* Distributable Profit has been calculated as per Section 123 of Companies Act, 2013

\*\* Net Tangible Assets are defined as the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India. As is evident, our company has Net Tangible Assets of over ₹ 3 crore.

\*\*\* Net worth includes shares capital and Reserves (Excluding Revaluation Reserve ) Less Miscellaneous Expenditure not written off, if any, & Debit Balance of Profit and Loss Account not wrote off, if any. As is evident, our Company has a Net Worth of over ₹ 3 Crores.

5. The Post Issue paid up capital of our Company shall be at least ₹ 3 Crore. As detailed in chapter “*Capital Structure*” on page 57 of this Prospectus our Company will have a post issue capital of ₹ 24,42,45,880 ( Rupees Twenty Four Crore Forty Two Lakhs Forty Five thousand and Eight hundred and Eighty)
6. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company will enter into an agreement for registration with the Central Depository Services Limited (CDSL) dated July 04, 2017 and National Securities Depository Limited (NSDL) dated August 10, 2017 for establishing connectivity.
7. Our Company has a website i.e. [www.shareindia.com](http://www.shareindia.com)
8. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
9. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
10. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
11. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.



**DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 14, 2017 WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, SELLING SHAREHOLDERS, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
  - A. THE PROSPECTUS FILED WITH THE EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.



5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERLISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:



- A. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
- B. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLAINEE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY



5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - **NOT APPLICABLE**
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

**Note:**

The filing of this Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, New Delhi in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

| Sr. No. | Issue name                             | Issue size (Rs in Cr.) | Issue Price (Rs.) | Listing date    | Opening Price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing |
|---------|--|------------------------|-------------------|-----------------|-------------------------------|---|---|--|
| 1.      | RMC Switchgear s Limited               | 4.1472                 | 27.00             | March 14, 2017  | 32.40                         | 41.85% [0.06%]  | 42.59% [5.61%]  | 23.05% [-0.36%]  |
| 2.      | Laxmi Cotspin Limited                  | 9.60                   | 20.00             | March 31, 2017  | 21.00                         | -11.75% [1.42%]   | -16.00% [3.46%]   | NA   |
| 3.      | Dev Information Technology Limited     | 6.25                   | 42.00             | April 17, 2017  | 50.40                         | 39.52% [4.23%]  | 32.38% [7.53%]  | NA   |
| 4.      | Vadivarhe Speciality Chemicals Limited | 14.46                  | 42.00             | June 02, 2017   | 50.40                         | 146.90% [-0.40%]  | 228.57% [2.74%]   | NA   |
| 5.      | Globe Textiles (India) Limited         | 13.7088                | 51.00             | June 23, 2017   | 50.00                         | 1.96% [4.09%]   | NA  | NA   |
| 6.      | Accord Synergy Limited                 | 5.832                  | 60.00             | July 06, 2017   | 72.00                         | 0.00% [3.14%]   | NA  | NA   |
| 7.      | Captain Technocast Limited             | 5.70                   | 40.00             | August 01, 2017 | 48.00                         | 12.50% [-2.59%]   | NA  | NA   |
| 8.      | Shanti Overseas (India) Limited        | 10.02                  | 50.00             | August 03, 2017 | 60.00                         | -27.00% [-1.01%]  | NA  | NA   |
| 9.      | Surevin BPO Services Limited           | 3.648                  | 40.00             | August 09, 2017 | 48.00                         | -7.50% [0.27%]  | NA  | NA   |
| 10.     | Pashupati Cotspin                      | 20.88                  | 75.00             | Septem          | 77.00                         | NA  | NA  | NA   |





|         |  |  |                 |  |  |  |  |
|---------|--|--|-----------------|--|--|--|--|
| Limited |  |  | ber 08,<br>2017 |  |  |  |  |
|---------|--|--|-----------------|--|--|--|--|

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

#### Summary statement of Disclosure:

| Financial Year | Total no. of IPOs | Total amount of funds raised (Rs. Cr.) | No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing |                |               | No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing |                |               |
|----------------|-------------------|--|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
|                |                   |  | Over 50%   | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% |
| 2013-14        | 3 <sup>(1)</sup>  | 10.66                                  | -  | -              | 1             | 1   | 1              | -             | -   | -              | -             | 2  | -              | 1             |
| 2014-15        | 7 <sup>(2)</sup>  | 38.25                                  | -  | -              | -             | 2   | -              | 5             | -   | -              | -             | 3  | -              | 4             |
| 2015-16        | 8 <sup>(3)</sup>  | 34.20                                  | -  | -              | 1             | 2   | 2              | 3             | -   | -              | -             | 3  | 1              | 4             |
| 2016-17        | 12 <sup>(4)</sup> | 99.90                                  | -  | -              | 2             | 3   | 3              | 4             | -   | -              | 2             | 3  | 2              | 4             |
| 2017-18        | 8 <sup>(5)</sup>  | 59.62                                  | -  | 1              | 1             | 1   | 1              | 3             | -   | -              | -             | -  | -              | -             |

(1) The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentival Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

(2) The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

(3) The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

(4) The scrips of Raghav Ramming Mass Limited and Advance Syntex Limited was listed on April 13, 2016 and July 12, 2016 respectively. Further, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited and Art Nirman Limited were listed on October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016 and October 19th, 2016 respectively and has completed 180th day from date of listing. Further Krishana Phoschem Limited and Global Education Limited as listed on February 27, 2017 and March 02, 2017 respectively and have not completed 180<sup>th</sup> days. Further RMC Switchgears Limited was listed on March 14, 2017 and Laxmi Coptsin Limited was listed on March 31, 2017 have not completed 180th days.

(5) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services Limited and Pashupati Cotspin Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017 and September 08, 2017 respectively. Further, the scrips of Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited and Surevin BPO Services Limited has not completed 90th and 180th days from the date of their listing. Further the Scrip of Pashupati Cotspin Limited has not completed 30th, 90th and 180th days from Listing. Also, the scrip of Dev Information Technology Limited has not completed 180<sup>th</sup> days from the date of its listing.





**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

**Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.hemsecurities.com](http://www.hemsecurities.com)

**Disclaimer from our Company, Selling Shareholders, Directors and the Lead Manager**

Our Company, the selling shareholders, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

**Caution**

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Hem securities Limited), Selling Shareholders and our Company on July 28, 2017 the Underwriting Agreement dated August 24, 2017 entered into between the Underwriters, Selling Shareholders and our Company and the Market Making Agreement dated August 24, 2017 entered into among the Market Maker and our Company.

All information shall be made available by our Company, Selling Shareholders and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates or Selling Shareholders, for which they have received and may in future receive compensation.

**Note**

Applicants who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

**Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and



authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public Offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of BSE**

BSE Ltd. ("BSE") has given vide its letter dated September 13, 2017, permission to our Company to use its name in this offer document as one of the stock exchanges on which our Company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable



laws and legislations in each jurisdiction, including India.

### **Filing**

A copy of this Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, SEBI Northern Regional Office, The Regional Director, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110001, Delhi for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the 37/17, Westcott Buidling, The Mall, Kanpur.

### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009 there is no requirement of obtaining in- principle approval of the SME Platform of BSE. However, application shall been made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

The SME Platform of BSE has given its in-principal approval for using its name in our Prospectus vide its letter dated September 13, 2017.

BSE is Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company and Selling Shareholders becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company and Selling Shareholders shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the issue to act in their respective capacities have been obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.



In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. T. K. Gupta Associates, Chartered Accountants, Statutory Auditor and M/s. Narendra Sharma & Co., Chartered Accountant Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

### Experts Opinion

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 171 and page 98 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. 154.11 Lakhs, which is 5.84% of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSEB’s commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company and Selling Shareholders as decided mutually. However, the issue related expenses will be shared between our Company and the Selling Shareholder.

The Estimated Issue expenses are as under:-

| Particulars   | Expenses      | As a % of total expenses | As a % of Issue |
|---|---------------|--------------------------|-----------------|
| Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc. and other out of pocket expenses | 146.36        | 94.97                    | 5.55            |
| Printing & Stationery, Distribution and Postage expenses etc  | 2.25          | 1.46                     | 0.09            |
| Advertising and Marketing Expenses  | 2.50          | 1.62                     | 0.09            |
| Statutory & Regulatory Fees and other expenses  | 3.00          | 1.95                     | 0.11            |
| <b>Total estimated Issue Expenses*</b>  | <b>154.11</b> | <b>100.00</b>            | <b>5.84</b>     |

### Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Agreement dated July 28, 2017 with the Selling Shareholders and the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated August 24, 2017 with the Selling Shareholders and Underwriter and (iii) the Market Making Agreement dated August 24, 2017 with the Selling Shareholders and Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Issue Closing Date.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated July 28, 2017 a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

### Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding



the date of this Prospectus.

**Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 57 of this Prospectus.

**Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

**Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any of our other Group Companies which are under the same management within the meaning of section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013, had made any public issue (including any rights issues or composite issues to the public) during the last three years.

**Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Neither of our Company nor our Group Company /subsidiaries and associates of our Company has undertaken any previous public or rights issue of equity shares immediately preceding the date of filing of this Prospectus with the BSE

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

**Option to Subscribe**

Equity Shares being issued through the Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicants should give full details such as name of the sole/ first applicant, application Form number, DP



ID, Client ID, PAN, date of the Application Form, address, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted. Further, the Applicant shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company will constitute Stakeholders Relationship Committee in the meeting of our Board of Directors before listing of Equity Shares on Stock Exchange. For further details on the Committees, please refer to section titled "**Our Management**" beginning on page 136 of this Prospectus.

**Our Company has appointed Mr. Vikas Aggarwal, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mr. Vikas Aggarwal**  
**Share India Securities Limited**  
14, Dayanand Vihar, Ground Floor,  
Near Karkardooma Metro Station,  
Vikas Marg Ext.  
Delhi – 110092, India  
Tel. No. + 91-11-43011000  
E-mail: vikas\_cs@shareindia.com  
Website: [www.shareindia.com](http://www.shareindia.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre- Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "**SCORES**". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **Status of Investor Complaints**

We confirm that there are no pending investor complaints as on the date of this Prospectus.

#### **Disposal of investor grievances by listed companies under the same management as our Company**

For details, see the chapter "**Our Group Companies**" beginning on page 159 of this Prospectus.

#### **Change in Auditors during the last three (3) years**

There have been no changes in our Company's auditors in the last three (3) years.

#### **Capitalization of Reserves or Profits**

Except as disclosed under section titled "**Capital Structure**" beginning on page 57 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

#### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.



### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Tax Benefits*" beginning on page 98 of this Prospectus.

### **Purchase of Property**

Other than as disclosed in Section "*Our Business*" on page 106 of the Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

**Except as disclosed in chapter titled "Our Management" beginning on page 136 and "Annexure R- Statement of Related Party Transactions" beginning on page 194 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.**





## **SECTION VII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Prospectus, the Prospectus, the Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10th 2015, all the investors applying in this Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms.*

For details in relation to Issue expenses, see “**Objects of the Issue**” and “**Other Regulatory and Statutory Disclosures**” on pages 88 and 256 respectively.

#### **Authority for the Issue**

##### **Fresh Issue**

The Board of Directors, pursuant to a resolution passed at their meeting held on July 06, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on July 22, 2017 authorized the Issue.

##### **Offer for Sale**

The Offer for Sale has been authorized by a resolution of the Board of Directors of the Company passed at their meeting held on July 06, 2017 and approval of shareholders has been taken by passing special resolution passed under section 28 of the Companies Act, 2013 at an Extra Ordinary General Meeting held on July 22, 2017.

##### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “**Main Provisions of Articles of Association of the Company**” on page 319 of the Prospectus.

##### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “**Dividend Policy**” on page 170 of the Prospectus.

##### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of the Prospectus at the price of Rs. 41.00 per equity Share (including premium of Rs. 31.00 per share). The Issue Price is determined by our Company and Selling Shareholders in consultation with the Lead Manager and is justified under the section



titled “*Basis for Issue Price*” on page 95 of the Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations, 2009. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Main Provisions of Articles of Association of the Company*” beginning on page 319 of the Prospectus.

#### **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated August 10, 2017 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated July 04, 2017 between CDSL, our Company and Registrar to the Issue; and

The trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3000 Equity Shares and is subject to a minimum allotment of 3000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### **Joint Holders**



Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Period of Operation of Subscription List of Public Issue

|                        |                    |
|------------------------|--------------------|
| <b>ISSUE OPENS ON</b>  | September 21, 2017 |
| <b>ISSUE CLOSES ON</b> | September 26, 2017 |

### Minimum Subscription

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.*

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

Further, in accordance with Regulation [106R] of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.



Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 3000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 57 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "**Main Provisions of the Articles of Association**" on page 319 of the Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, Selling Shareholders and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the new Companies Act 2013, and in accordance with SEBI (ICDR) Regulations, every company making public offer shall issue securities only in dematerialized form only. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the



option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

#### Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main Board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid up Capital of the company is more than Rs. 10 Crore but below Rs. 25 Crore, Our Company may still apply for migration to the Main Board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "*General Information - Details of the Market Making Arrangements for this Issue*" on page 49 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

| Issue size                                 | Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size) | Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size) |
|--|---|---|
| Upto ₹ 20 Crore, as applicable in our case | 25%   | 24%   |

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

#### New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.



**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, India. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ₹ 10 Crore and upto ₹ 25 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 271 and 280 of the Prospectus.

The Issue comprise of a Public Issue of 64,32,000 Equity Shares of Face Value of ₹ 10/- each fully paid (The “Equity Shares”) for cash at a price of ₹ 41/- per Equity Shares (*including a premium of ₹ 31/- per equity share*) aggregating to ₹ 2637.12 Lakhs (“*the issue*”) by our Company of which 3,24,000 Equity Shares of ₹ 10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 61,08,000 Equity Shares of ₹ 10/- each is hereinafter referred to as the net issue, comprising the Fresh Issue of 59,32,000 Equity Shares and the Offer for Sale of 5,00,000 Equity Shares by Selling Shareholders. The Issue and the Net Issue will constitute 26.33% and 25.01% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

| Particulars of the Issue                          | Net Issue to Public*  | Market Maker Reservation Portion     |
|---|---|--------------------------------------|
| Number of Equity Shares available for allocation  | 61,08,000 Equity Shares   | 3,24,000 Equity Shares               |
| Percentage of Issue Size available for allocation | 94.96% of the Issue Size  | 5.04% of the Issue Size              |
| Basis of Allotment                                | Proportionate subject to minimum allotment of 3000 Equity Shares and further allotment in multiples of 3000 Equity Shares each. For further details please refer to “ <i>Issue Procedure - Basis of Allotment</i> ” on page 310 of this Prospectus.   | Firm Allotment                       |
| Mode of Application                               | All the applications shall make the application (Online or Physical) through ASBA Process Only  | Through ASBA Process Only            |
| Mode of Allotment                                 | Compulsorily in dematerialized form.  | Compulsorily in dematerialized form. |
| Minimum Application Size                          | <b><u>For Other than Retail Individual Investors:</u></b><br>Such number of Equity Shares in multiples of 3000 Equity Shares at an Issue price of ₹ 41.00 each, such that the Application Value exceeds ₹ 2.00 Lakh.<br><b><u>For Retail Individuals Investors:</u></b><br>3000 Equity Shares at an Issue price of ₹ 41.00 each   | 3,24,000 Equity Shares               |
| Maximum Application Size                          | <b><u>For Other than Retails Individual Investors:</u></b><br>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.<br><b><u>For Retail Individuals Investors:</u></b><br>Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/- | 3,24,000 Equity Shares               |





|                      |  |   |
|----------------------|--|---|
| Trading Lot          | 3000 Equity Shares   | 3000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Application lot Size | 3000 Equity Shares thereafter Equity Shares and in multiples of 3000   |   |
| Terms of Payment     | Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form. |   |

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 277 of the Prospectus.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual Applicant other than retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

#### **Withdrawal of the Issue**

The Company and Selling Shareholders, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company and Selling Shareholders wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company and the Selling Shareholders withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

#### **Issue Programme**

|                           |                    |
|---------------------------|--------------------|
| <b>ISSUE OPENING DATE</b> | September 21, 2017 |
| <b>ISSUE CLOSING DATE</b> | September 26, 2017 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.



- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## **ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) included below under section “-PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.

**Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** Our Company, Selling Shareholders and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

**Our Company, Selling Shareholders and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

### **PART A**

#### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

#### **Application Form**

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01,



2016, all the investors can apply through ASBA Mode. The prescribed color of the Application Form for various categories applying in this issue is as follows:

| Category   | Color |
|--|-------|
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)                               | White |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | Blue  |

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “*Designated Intermediaries*”)

| Sr. No. | Designated Intermediaries  |
|---------|--|
| 1.      | An SCSB, with whom the bank account to be blocked, is maintained   |
| 2.      | A syndicate member (or sub-syndicate member)   |
| 3.      | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4.      | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)   |
| 5.      | A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)                  |

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

|  |  |
|--|--|
| <b>For Applications submitted by Investors to SCSB:</b>                            | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.   |
| <b>For applications submitted by investors to intermediaries other than SCSBs:</b> | After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

#### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

#### **Who can apply?**

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;



- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants**

The Application must be for a minimum of 3000 Equity Shares and in multiples of 3000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

**2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 3000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2, 00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Applicants. Our Company, Selling Shareholders and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

**Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

**Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.



- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Applicants:**

1. Our Company, Selling Shareholders and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

**Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall



be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

**Applications by eligible NRIs/ FPI's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

**As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - ❖ Any transactions in derivatives on a recognized stock exchange;
    - ❖ Short selling transactions in accordance with the framework specified by the Board;
    - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009





- ❖ Any other transaction specified by the Board.
  - c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - viii. Any other transaction specified by Board.
  - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
  5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
  6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
  7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
  8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.



A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company and Selling Shareholders reserves the right to reject any Application without assigning any reason thereof.

#### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form Failing this, our Company and the Selling Shareholders in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development



Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

**Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

**Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of



filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

**Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

**Terms of payment**

The entire Issue price of Rs. 41.00 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.



The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:



| S. No. | Details*          |
|--------|-------------------|
| 1.     | Symbol            |
| 2.     | Intermediary Code |
| 3.     | Location Code     |
| 4.     | Application No.   |
| 5.     | Category          |
| 6.     | PAN               |
| 7.     | DP ID             |
| 8.     | Client ID         |
| 9.     | Quantity          |
| 10.    | Amount            |

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such





applications are liable to be rejected.

14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 3,24,000 Equity Shares shall be reserved for Market Maker and 61,08,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company, Selling Shareholders and LM has entered into an Underwriting Agreement dated August 24, 2017.
- b) A copy of Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

#### **General Instructions**

##### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;





- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one bank account.

**Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centers for

collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

#### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

#### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

#### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional



Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

**Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

**Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

**Undertakings by the Selling Shareholders**

- 1) The Equity Shares offered pursuant to the Offer for Sale have been held by the Selling Shareholder for a period of at least one year prior to the date of this Prospectus, are free and clear of any liens or encumbrances and, to the extent that the Equity Shares being offered have resulted from a bonus issue, the bonus issue has been on equity shares held for a period of at least one year prior to the filing of this Prospectus and has been issued out of free reserves and share premium existing in the Financial Statement of the company;
- 2) The Selling Shareholder is the legal and beneficial owner of and has full title to the Investor Offered Shares;
- 3) The Selling Shareholder will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
- 4) The Selling Shareholder will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered in the Offer for Sale; and
- 5) The Selling Shareholder will take all such steps as may be required to ensure that the Equity Shares being sold by them in the Offer for Sale are available for transfer in the Offer for Sale.
- 6) They shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Offer are available for transfer in the Offer within the time specified under applicable law; and
- 7) They shall comply with all applicable laws, in India, including the Companies Act, the SEBI Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by them in the Offer.



### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated August 10, 2017 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated July 04, 2017 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE932X01018

## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

#### **Section 1: Purpose of the General Information Document (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009") as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus,

the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

## **Section 2: Brief Introduction to IPOs on SME Exchange**

### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

### **2.2 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- e) The Issuer shall have Net Tangible Assets of at least Rs. 3 crore as per the latest audited financial result.



- f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 crore as per the latest audited financial result.
- g) The issuer should have a tract record of distributable profits in terms of Section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of atleast Rs 5 crores.
- h) The post –issue paid up capital of the issuer shall be at least Rs. 3 crore.
- i) The issuer shall mandatorily facilitate trading in demat securities
- j) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- k) No petition for winding up is admitted by a court of competent jurisdiction against the Issuer.
- l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- m) The company should have a website
- n) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital is more than ₹ 1000 lakhs but does not exceed ₹ 2500 Lakhs. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Daft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

### **2.5 Migration To Main Board**



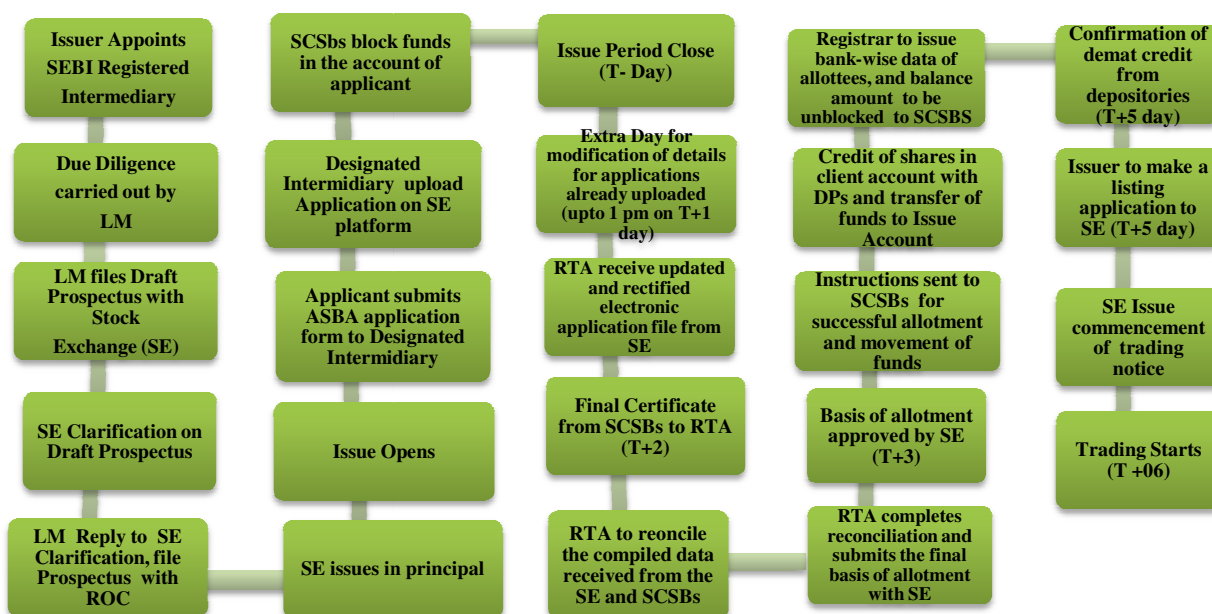


SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.  
OR
- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**2.6 Flowchart Of Timelines**

A flow chart of process flow in Fixed Price Issues is as follows:



**Section 3: Category of Investors Eligible to Participate in an Issue**

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII’s, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;





- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Systemically important non-banking financial companies
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

**Section 4: Applying in the Issue**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

| Category  | Color of the Application |
|---|--------------------------|
| Resident Indian, Eligible NRIs applying on a non -repatriation basis  | White                    |
| NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis | Blue                     |

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

**4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.



**Share India Securities Limited**

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

**R Application Form:**

TEAR HERE

|  |   |   |  |  |                                    |
|--|---|---|--|--|------------------------------------|
| <b>COMMON BID CUM APPLICATION FORM</b>   | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b><br>Address : _____ Contact Details: _____ CIN No _____  | <b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>   |  |  |                                    |
| LOGO   | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED  | <b>FIXED PRICE GME ISSUE</b><br>INE000000000  |  |  |                                    |
|  |   | Bid cum Application Form No. _____  |  |  |                                    |
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>   | <b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>  | <b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>   |  |  |                                    |
|  |   | Mr. / Ms. _____   |  |  |                                    |
|  |   | Address _____   |  |  |                                    |
|  |   | Email _____   |  |  |                                    |
|  |   | Tel. No (with STD code) / Mobile _____  |  |  |                                    |
| <b>2. PAN OF SOLE / FIRST BIDDER</b>   |   |   |  |  |                                    |
|  |   |   |  |  |                                    |
| <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL  |   | <b>6. INVESTOR STATUS</b>   |  |  |                                    |
| For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID   |   |   |  |  |                                    |
| <b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>  |   | <b>5. CATEGORY</b><br><input type="checkbox"/> Retail Investor Bidder<br><input type="checkbox"/> Non-Institutional Bidder<br><input type="checkbox"/> QIB<br><small>* QIB should apply only through Karta (Application by JRF would be treated on par with Individual)</small> |  |  |                                    |
| Bid Option:  | No. of Equity Shares Bid (In Figures)<br><small>(Must meet the multiples of Bid Lot as advertised)</small>  |   | Price per Equity Share (₹) - "Cut-off"<br><small>(Price in multiples of ₹ 1/- only) (In Figures)</small> |  |                                    |
|  | Bid Price   |   | Retail Discount  |  |                                    |
|  | Net Price   |   | "Cut-off" (₹/tick)   |  |                                    |
| (OR) Option 2  |   |   |  |  |                                    |
| (OR) Option 3  |   |   |  |  |                                    |
| <b>7. PAYMENT DETAILS</b>  |   | <b>PAYMENT OPTION : FULL PAYMENT</b> <input type="checkbox"/> <b>PART PAYMENT</b> <input type="checkbox"/>  |  |  |                                    |
| Amount paid (₹ in figures) _____ (₹ in words) _____  |   |   |  |  |                                    |
| ASBA Bank A/c No. _____  |   |   |  |  |                                    |
| Bank Name & Branch _____   |   |   |  |  |                                    |
| <small>DEWE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE APPLICABLE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. DEWE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small> |   |   |  |  |                                    |
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>  | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b><br><small>(AS PER BANK RECORDS)</small><br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the law | <b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)  |  |  |                                    |
| Date : _____   | 1) _____<br>2) _____<br>3) _____  |   |  |  |                                    |
| TEAR HERE  |   |   |  |  |                                    |
| LOGO   | <b>XYZ LIMITED</b><br><b>INITIAL PUBLIC ISSUE - R</b>   | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>  |  |  |                                    |
|  |   | Bid cum Application Form No. _____  |  |  |                                    |
| DPID / CLID  |   | <b>PAN of Sole / First Bidder</b>   |  |  |                                    |
|  |   |   |  |  |                                    |
| Amount paid (₹ in figures)   | Bank & Branch   | <b>Stamp &amp; Signature of SCSB Branch</b>   |  |  |                                    |
| ASBA Bank A/c No.  |   |   |  |  |                                    |
| Received from Mr./Ms.  |   |   |  |  |                                    |
| Telephone / Mobile   | Email   |   |  |  |                                    |
| TEAR HERE  |   |   |  |  |                                    |
| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>  | Option 1  | Option 2  | Option 3   | <b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b> | <b>Name of Sole / First Bidder</b> |
|  | No. of Equity Shares  |   |  |  |                                    |
|  | Bid Price   |   |  |  |                                    |
|  | Amount Paid (₹)   |   |  |  |                                    |
|  | ASBA Bank A/c No.   |   |  |  |                                    |
|  | Bank & Branch   |   |  |  |                                    |
| <b>Acknowledgement Slip for Bidder</b>   |   |   |  |  |                                    |
|  |   |   |  |  | Bid cum Application Form No. _____ |



NR Application Form:

|   |   |  |
|---|---|--|
| COMMON BID CUM APPLICATION FORM   | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b><br>Address : _____ Contact Details: _____ CIN No _____   | For Eligible NRI, FI, FVCI, applying on Repatriation Basis                                   |
| LOGO<br>TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED  | <b>FIXED PRICE GMC ISSUE</b><br>INE00000000000  | Bid cum Application Form No. _____   |
| SYNDICATE MEMBER'S STAMP & CODE   | BROKER/SCSB/DP/RTA STAMP & CODE   | <b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>                                  |
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE   | ESCROW BANK/SCSB BRANCH STAMP & CODE  | Mr. / Ms. _____  |
| BANK BRANCH SERIAL NO.  | SCSB SERIAL NO.   | Address _____  |
|   |   | Email _____  |
|   |   | Tel. No (with STD code) / Mobile _____   |
| <b>2. PAN OF SOLE / FIRST BIDDER</b>  |   |  |
| <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL   |   |  |
| For NSDL, enter 8 digit Log ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID   |   |  |
| <b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>   |   |  |
| Bid Options   | No. of Equity Shares Bid (In Figures)<br>(Dist. must be in multiples of Bid Lot as advertised)  | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures)      |
|   | Bid Price   | Retail Discount  |
|   | Net Price   | "Cut-off" Please tick <input type="checkbox"/>   |
| Option 1  |   | <input type="checkbox"/>   |
| (OR) Option 2   |   | <input type="checkbox"/>   |
| (OR) Option 3   |   | <input type="checkbox"/>   |
|   |   | <input type="checkbox"/> Retail Investor Bidder  |
|   |   | <input type="checkbox"/> Non-Institutional Bidder  |
|   |   | <input type="checkbox"/> QIB   |
| <b>5. CATEGORY</b>  |   |  |
| <b>6. Investor Status</b>   |   |  |
| <input type="checkbox"/> Non-Resident Indians (Repatriation basis) <b>NR</b>  |   |  |
| <input type="checkbox"/> Foreign Institutional Investor <b>FI</b>   |   |  |
| <input type="checkbox"/> Foreign Venture Capital Investor <b>FVCI</b>   |   |  |
| <input type="checkbox"/> FI Sub Account Corporate/ Individual <b>FI SA</b>  |   |  |
| <input type="checkbox"/> Others (Please Specify) <b>OTH</b>   |   |  |
| <b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : FULL PAY</b>  |   |  |
| Amount paid (₹ in figures) _____ (₹ in words) _____   |   |  |
| ASBA Bank A/c No. _____   |   |  |
| Bank Name & Branch _____  |   |  |
| <small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNOUNCEMENT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small> |   |  |
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>   | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br><small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</small> | <b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b> |
| Date : _____  | 1) _____<br>2) _____<br>3) _____  |  |
| TEAR HERE   |   |  |
| LOGO  | <b>XYZ LIMITED</b><br>INITIAL PUBLIC ISSUE - NR   | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>   |
| DPID (CIN)  | Bid cum Application Form No. _____  | PAN of Sole / First Bidder _____   |
| Amount paid (₹ in figures)  | Bank & Branch   | Stamp & Signature of SCSB Branch   |
| ASBA Bank A/c No.   |   |  |
| Received from Mr./Ms.   |   |  |
| Telephone / Mobile  | Email   |  |
| TEAR HERE   |   |  |
| <b>NR LIMITED - INITIAL PUBLIC ISSUE - NR</b>   | Option 1    Option 2    Option 3  | Stamp & Signature of Broker / SCSB / DP / RTA  |
| No. of Equity Shares  |   | Name of Sole / First Bidder _____  |
| Bid Price   |   | <b>Acknowledgement Slip for Bidder</b>   |
| Amount Paid (₹)   |   | Bid cum Application Form No. _____   |
| ASBA Bank A/c No.   |   |  |
| Bank & Branch   |   |  |

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details



mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of \Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer,

- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
  - **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
  - **otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”**
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS





- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- a) The Issuer may mention Price as per Draft Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size
  - i. For Retails Individual Applicants
 

The Application must be for a minimum of 3000 equity shares. As the application price payable by the retail individual applicants cannot exceed ₹ 200000 they can make Application for only minimum Application size i.e. for 3000 equity shares.
  - ii. For Other Applicants (Non Institutional Applicants and QIBs):
 

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds ₹ 200000 and in multiples of 3000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Prospectus.
- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following applications may not be treated as multiple applications:



- i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
- iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the



Applicant is not the ASBA Account holder;

- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.





In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

#### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSBs or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**



- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise or withdraw their applications till closure of the issue period. QIBs and NII's cannot withdraw or lower their bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the application amount upon submission of the application.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

|   |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
|---|--|--|----------|----------|--|----------------------|--|--|--|-----------|--|--|--|----------------------------|--|--|--|-------------------|--|--|--|---------------|--|--|--|---|
| <b>COMMON BID REVISION FORM</b>   | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b><br>Address : _____ Contact Details: _____ CIN No _____   | <b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>LOGO</b>   | TO,<br><b>THE BOARD OF DIRECTORS</b><br>XYZ LIMITED  | <b>BOOK BUILT ISSUE</b><br>ISIN : _____  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
|   |  | <b>Bid cum Application Form No.</b> _____  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  | <b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>   | <b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b><br>Mr./Ms. _____<br>Address _____<br>Tel. No (with STD code) / Mobile _____ Email _____  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  | <b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>  | <b>2. PAN OF SOLE / FIRST BIDDER</b> _____   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>BANK BRANCH SERIAL NO.</b>   | <b>SCSB SERIAL NO.</b>   | <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br><small>(For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID)</small> |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>PLEASE CHANGE MY BID</b>   |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>4. FROM (AS PER LAST BID OR REVISION)</b>  |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>Bid Options:</b>   | <b>No. of Equity Shares Bid</b><br><small>(Bid must be in multiples of Bid Lot as advertised)</small><br><small>(In Figures)</small>   | <b>Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)</b><br><small>(In Figures)</small>  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
|   | 8   7   6   5   4   3   2   1  | Bid Price   Retail Discount   Net Price   "Cut-off" (Please tick)  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Option 1  | 11   10   9   8   7   6   5   4   3   2   1  | 3   2   1   3   2   1   3   2   1  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| (OR) Option 2   | <del>11   10   9   8   7   6   5   4   3   2   1</del>   | <del>3   2   1   3   2   1   3   2   1</del>   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| (OR) Option 3   | <del>11   10   9   8   7   6   5   4   3   2   1</del>   | <del>3   2   1   3   2   1   3   2   1</del>   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid as "Cut-off")</b>  |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>Bid Options:</b>   | <b>No. of Equity Shares Bid</b><br><small>(Bid must be in multiples of Bid Lot as advertised)</small><br><small>(In Figures)</small>   | <b>Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)</b><br><small>(In Figures)</small>  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
|   | 8   7   6   5   4   3   2   1  | Bid Price   Retail Discount   Net Price   "Cut-off" (Please tick)  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Option 1  | 11   10   9   8   7   6   5   4   3   2   1  | 3   2   1   3   2   1   3   2   1  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| (OR) Option 2   | <del>11   10   9   8   7   6   5   4   3   2   1</del>   | <del>3   2   1   3   2   1   3   2   1</del>   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| (OR) Option 3   | <del>11   10   9   8   7   6   5   4   3   2   1</del>   | <del>3   2   1   3   2   1   3   2   1</del>   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>6. PAYMENT DETAILS</b>   |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Additional Amount Paid (₹ in figures) _____ (₹ in words) _____  |  | <b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| ASBA Bank A/c No. _____   |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Bank Name & Branch _____  |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <small>I/WE HEREBY CONFIRM THAT I/HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE APPLICABLE LEGISLATION AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF PWE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR BIDDING FOR THE BID REVISION FORM GIVEN OVERLEAF.</small> |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>   | <b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s)</b><br><small>(AS PER BANK RECORDS)</small><br><small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</small>  | <b>BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>TEAR HERE</b>  |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>LOGO</b>   | <b>XYZ LIMITED</b><br>BID REVISION FORM - INITIAL PUBLIC ISSUE - R   | <b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b><br><b>Bid cum Application Form No.</b> _____  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| DPID / CLID _____   |  | <b>PAN of Sole / First Bidder</b> _____  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Additional Amount Paid (₹) _____ Bank & Branch _____  |  | <b>Stamp &amp; Signature of SCSB Branch</b>  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| ASBA Bank A/c No. _____   |  | <b>Received from Mr./Ms.</b> _____   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Telephone / Mobile _____ Email _____  |  | <b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>TEAR HERE</b>  |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| <b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Option 1</td> <td style="width: 25%;">Option 2</td> <td style="width: 25%;">Option 3</td> <td style="width: 25%;"></td> </tr> <tr> <td>No. of Equity Shares</td> <td style="text-align: center;"><del>11   10   9   8   7   6   5   4   3   2   1</del></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bank &amp; Branch</td> <td></td> <td></td> <td></td> </tr> </table> | Option 1   | Option 2 | Option 3 |  | No. of Equity Shares | <del>11   10   9   8   7   6   5   4   3   2   1</del> |  |  | Bid Price |  |  |  | Additional Amount Paid (₹) |  |  |  | ASBA Bank A/c No. |  |  |  | Bank & Branch |  |  |  | <b>Name of Sole / First Bidder</b> _____<br><br><b>Acknowledgement Slip for Bidder</b><br><br><b>Bid cum Application Form No.</b> _____ |
| Option 1  | Option 2   | Option 3   |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| No. of Equity Shares  | <del>11   10   9   8   7   6   5   4   3   2   1</del>   |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Bid Price   |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Additional Amount Paid (₹)  |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| ASBA Bank A/c No.   |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |
| Bank & Branch   |  |  |          |          |  |                      |  |  |  |           |  |  |  |                            |  |  |  |                   |  |  |  |               |  |  |  |   |



#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 FIELD 4 & 5: BID OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed Rs.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM**

Applicants may submit completed application form / Revision Form in the following manner:-

| <b>Mode of Application</b> | <b>Submission of Application Form</b> |
|----------------------------|---------------------------------------|
| All Investor Applications  | To the Designated Intermediaries      |

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### **5.2 GROUNDS FOR TECHNICAL REJECTIONS**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-



- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 3000 equity shares;
- Category not ticked;
- Multiple Applications as defined in this Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants , Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the Fixed Price Issue this section is not applicable for this Issue.



## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

### 7.1 Basis of Allotment

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 3000 Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 3000 Equity Shares;
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3000 Equity Shares subject to a minimum allotment of 3000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
  - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director/ Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

### 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.





Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUNDS**

#### **8.2.1 Non Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

#### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**



The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

### 8.3 Mode of Unblocking of Funds

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### 8.3.1 Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### 8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

| <b>Term</b>  | <b>Description</b>   |
|--|--|
| Allotment/ Allot/ Allotted                           | The allotment of Equity Shares pursuant to the Issue to successful Applicants  |
| Allottee   | An Applicant to whom the Equity Shares are Allotted  |
| Allotment Advice                                     | Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges   |
| Application Form                                     | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue   |
| Application Supported by Blocked Amount/ (ASBA)/ASBA | An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB   |
| ASBA Account   | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant  |
| ASBA Application                                     | An Application made by an ASBA Applicant   |
| Applicant  | Prospective Applicants in the Issue who apply through ASBA   |
| Basis of Allotment                                   | The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue  |
| Bid  | The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date        |
| Issue Closing Date                                   | The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date |





| Term  | Description   |
|---|---|
| Issue Opening Date  | The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date  |
| Issue Period  | Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period |
| Application Amount  | The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).  |
| Application Form  | The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.   |
| Applicant   | Any prospective investor (including an ASBA Applicant) who makes an Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant  |
| Book Built Process/ Book Building Process/ Book Building Method | The book building process as provided under SEBI ICDR Regulations, 2009,  |
| Broker Centers  | Broker Centers notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.   |
| Lead Manager/ LM  | The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.  |
| Business Day  | Monday to Friday (except public holidays)   |
| CAN/Confirmation of Allotment Note                              | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange  |
| Client ID   | Client Identification Number maintained with one of the Depositories in relation to demat account   |
| Collecting Depository Participant or CDP                        | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI   |
| DP  | Depository Participant  |
| DP ID   | Depository Participant's Identification Number  |
| Depositories  | National Securities Depository Limited and Central Depository Services (India) Limited  |
| Demographic Details   | Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details   |
| Designated Branches   | Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .  |
| Designated CDP Locations  | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.<br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>   |



| Term   | Description   |
|--|---|
| Designated RTA Locations                                 | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs.<br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> |
| Designated Date  | The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.  |
| Designated Stock Exchange                                | The designated stock exchange as disclosed in the Prospectus of the Issuer  |
| Designated Intermediaries /Collecting Agent              | Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue   |
| Discount   | Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.  |
| Draft Prospectus   | This Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price   |
| Employees  | Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the Promoter and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus                         |
| Equity Shares  | Equity shares of the Issuer   |
| FCNR Account   | Foreign Currency Non-Resident Account   |
| First Applicant  | The Applicant whose name appears first in the Application Form or Revision Form   |
| FII(s)   | Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India   |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made  |
| FPIs   | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014   |
| FPO  | Further public offering   |
| Foreign Venture Capital Investors or FVCIs               | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000  |
| IPO  | Initial public offering   |
| Issue  | Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable  |
| Issuer/ Company  | The Issuer proposing the initial public offering/further public offering as applicable  |
| Issue Price  | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)   |
| Maximum RII Allottees                                    | The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.  |
| MICR   | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf  |
| Mutual Fund  | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996  |
| NECS   | National Electronic Clearing Service  |
| NEFT   | National Electronic Fund Transfer   |
| NRE Account  | Non-Resident External Account   |
| NRI  | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares   |
| NRO Account  | Non-Resident Ordinary Account   |



| Term                                   | Description  |
|--|--|
| Net Issue                              | The Issue less reservation portion   |
| Non-Institutional Investors or NIIs    | All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)  |
| Non-Institutional Category             | The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form  |
| Non-Resident                           | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs  |
| OCB/Overseas Corporate Body            | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer for Sale                         | Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholders  |
| Other Investors                        | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.   |
| PAN                                    | Permanent Account Number allotted under the Income Tax Act, 1961   |
| Pricing Date                           | The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price   |
| Prospectus                             | The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information  |
| Public Issue Account                   | An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date   |
| QIB Category                           | The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis  |
| Qualified Institutional Buyers or QIBs | As defined under SEBI ICDR Regulations, 2009   |
| RTA                                    | Registrar to the Issue and Share Transfer Agent  |
| Registered Broker                      | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate   |
| Registrar to the Issue/RTI             | The Registrar to the Issue as disclosed in the Prospectus and Application Form   |
| Reserved Category/ Categories          | Categories of persons eligible for making application/bidding under reservation portion  |
| Reservation Portion                    | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009  |
| Retail Individual Investors / RIIs     | Investors who applies or bids for a value of not more than ₹ 200,000.  |
| Retail Individual Shareholders         | Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.  |
| Retail Category                        | The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.   |
| Revision Form                          | The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)  |
| RoC                                    | The Registrar of Companies   |
| SEBI                                   | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992  |



| <b>Term</b>                                 | <b>Description</b>  |
|---|---|
| SEBI ICDR Regulations, 2009                 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009   |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>  |
| Specified Locations                         | Refer to definition of Broker Centers   |
| Stock Exchanges/ SE                         | The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed   |
| Syndicate                                   | The Book Running Lead Manager(s) and the Syndicate Member   |
| Syndicate Agreement                         | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)   |
| Syndicate Member(s)/SM                      | The Syndicate Member(s) as disclosed in the Prospectus  |
| Underwriters                                | The Lead Manager(s)   |
| Underwriting Agreement                      | The agreement dated entered into between the Underwriters and our company.  |
| Working Day                                 | Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India. |



## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued consolidated FDI Policy, which with effect from June 07, 2016 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

### **Subscription by foreign investors (NRIs/FPIs)**

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through public offer, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

### **Representation from the Applicants**

No person shall make an application in the Offer, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make application under the Offer, will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.



***Share India Securities Limited***

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Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, Selling Shareholders, LM and the Offer Management Team are not making any selling efforts in any jurisdiction outside India.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



### SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

| ARTICLE NO. | INTERPRETATION  | HEADING                            |
|-------------|---|------------------------------------|
| 1           | In these Articles unless there be something in the subject matter or context inconsistent therewith:  |                                    |
|             | i. <b>“The Act”</b> means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.   | <b>The Act</b>                     |
|             | ii. <b>“Articles”</b> means Articles of Association of the Company as originally framed or altered from time to time  | <b>Articles</b>                    |
|             | iii. <b>“Beneficial Owner”</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.   | <b>Beneficial Owner</b>            |
|             | iv. <b>“Board or Board of Director”</b> means the Collective body of the Board of Directors of the Company.   | <b>Board or Board of Directors</b> |
|             | v. <b>“Chairman”</b> means the Chairman of the Board of the Directors of the Company.   | <b>Chairman</b>                    |
|             | vi. <b>“The Company”</b> means Share India Securities Limited   | <b>The Company</b>                 |
|             | vii. <b>“Depositories Act, 1996”</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.  | <b>Depositories Act,1996</b>       |
|             | viii. <b>“Depository”</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.   | <b>Depository</b>                  |
|             | ix. <b>“Directors”</b> mean the Directors for the time being of the Company.  | <b>Directors</b>                   |
|             | x. <b>“Dividend”</b> includes any interim dividend  | <b>Dividend</b>                    |
|             | xi. <b>“Document”</b> means a document as defined in Section 2 (36) of the Companies Act, 2013.   | <b>Document</b>                    |
|             | xii. <b>“Equity Share Capital”</b> , with reference to any Company limited by shares, means all share capital which is not preference share capital   | <b>Equity Share Capital</b>        |
|             | xiii. <b>“KMP”</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.  | <b>KMP</b>                         |
|             | xiv. <b>“Managing Director”</b> means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called. | <b>Managing Director</b>           |
|             | xv. <b>“Month”</b> means Calendar month   | <b>Month</b>                       |
|             | xvi. <b>“Office”</b> means the registered office for the time being of the Company.   | <b>Office</b>                      |
|             | xvii. <b>“Paid-up share capital”</b> or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called     | <b>Paid-up share Capital</b>       |
|             | xviii. <b>“Postal Ballot”</b> means voting by post or through any electronic mode   | <b>Postal Ballot</b>               |
|             | xix. <b>“Proxy”</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.  | <b>Proxy</b>                       |
|             | xx. <b>“Public Holiday”</b> means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.                               | <b>Public Holiday</b>              |
|             | xxi. <b>“Registrar”</b> means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.  | <b>Registrar</b>                   |





|    |   |                                     |
|----|---|-------------------------------------|
|    | xxii. “ <b>Rules</b> ” means the applicable rules as prescribed under the relevant sections of the Act for time being in force  | <b>Rules</b>                        |
|    | xxiii. “ <b>SEBI</b> ” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.  | <b>SEBI</b>                         |
|    | xxiv. “ <b>Securities</b> ” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)  | <b>Securities</b>                   |
|    | xxv. “ <b>Share</b> ” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.  | <b>Share</b>                        |
|    | xxvi. “ <b>Seal</b> ” means the common seal of the Company.   | <b>Seal</b>                         |
|    | xxvii. “ <b>Preference Share Capital</b> ”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—<br>(a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and<br>(b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company; | <b>Preference Share Capital</b>     |
|    | Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.<br>Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.<br><br>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.  |                                     |
| 2. | The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.   | <b>Share Capital</b>                |
| 3. | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.  |                                     |
| 4. | Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.   | <b>Issue of Sweat Equity Shares</b> |
| 5. | The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.   | <b>Issue of Debentures</b>          |
| 6. | i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) days of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—<br>a. one certificate for all his shares without payment of any charges; or<br>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first   | <b>Issue of Share Certificates</b>  |



|     |  |   |
|-----|--|---|
|     | <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> |   |
| 7.  | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.   |   |
| 8.  | Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.   |   |
| 9.  | The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.   |   |
| 10. | <p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>  | <b>Power to pay Commission in connection with the Securities issued</b> |
| 11. | <p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>  | <b>Variations of Shareholder's rights</b>                               |
| 12. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.   |   |
| 13. | Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by   | <b>Issue of Preference Shares</b>                                       |

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|     | special resolution, determine  |                                |
| 14. | <p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p> | <b>Further Issue of shares</b> |
| 15. | <p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and or</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company.</p> <p>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares;</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>  | <b>Lien</b>                    |
| 16. | <p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>  |                                |
| 17. | <p>d) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.</p> <p>e) The purchaser shall be registered as the holder of the shares comprised in any</p>  |                                |



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|     | <p>such transfer.</p> <p>f) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>  |                        |
| 18. | <p>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>   |                        |
| 19. | <p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p> | <b>Joint Holdings</b>  |
| 20. | <p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p>  | <b>Calls on shares</b> |

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|     | <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>   |                           |
| 21. | A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.  |                           |
| 22. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.  |                           |
| 23. | <p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>  |                           |
| 24. | <p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p> |                           |
| 25. | <p>The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>  |                           |
| 26. | <p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>  |                           |
| 27. | The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.   |                           |
| 28. | The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.  |                           |
| 29. | <p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>   | <b>Transfer of shares</b> |
| 30. | <p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of</p>  |                           |



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|     | the transferee is entered in the register of members in respect thereof.  |  |
| 31. | <p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</li> </ul>   |  |
| 32. | <p>The Board shall decline to recognize any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</li> <li>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</li> </ul> |  |
| 33. | <p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.</p>  |  |
| 34. | <p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>  |  |
| 35. | <p>The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>  |  |
| 36. | <p>The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.</p>   | <b>Register of Transfers</b>           |
| 37. | <ul style="list-style-type: none"> <li>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles. <ul style="list-style-type: none"> <li>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</li> </ul> </li> </ul>   | <b>Dematerialisation of Securities</b> |





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|  | <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <p>(a) All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</p> <p>(b) Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</p> <p>d. Rights of Depositories &amp; Beneficial Owners:-<br/>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> |  |
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|     | <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>   |                               |
| 38. | <p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>   |                               |
| 39. | <p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>   |                               |
| 40. | <p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>   | <b>Transmission of shares</b> |
| 41. | <p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> |                               |
| 42. | <p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>  |                               |
| 43. | <p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so</p>   | <b>Forfeiture of shares</b>   |



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|     | much of the call or instalment as is unpaid, together with any interest which may have accrued.  |   |
| 44. | The notice aforesaid shall—<br>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and<br>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.  |   |
| 45. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.   |   |
| 46. | i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.<br>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.   |   |
| 47. | i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.<br>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.  |   |
| 48. | i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;<br>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;<br>iii. The transferee shall thereupon be registered as the holder of the share; and<br>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. |   |
| 49. | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share  |   |
| 50. | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.  |   |
| 51. | Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.   |   |
| 52. | The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.   |   |
| 53. | The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.  |   |
| 54. | The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.  |   |
| 55. | Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest,   | <b>Initial payment not to preclude forfeiture</b> |



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|     | nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.   |  |
| 56. | The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.   | <b>Alteration of capital</b>           |
| 57. | Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul>   |  |
| 58. | Where shares are converted into stock,— <ul style="list-style-type: none"> <li>i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</li> </ul> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <ul style="list-style-type: none"> <li>ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </ul> | <b>Conversion of Shares into Stock</b> |
| 59. | The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. Any share premium account.</li> </ul>   | <b>Reduction of Capital</b>            |
| 60. | The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.  | <b>Share Warrants</b>                  |
|     | The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.   |  |
|     | Not more than one person shall be recognized as depositor of the share warrant.   |  |
|     | The Company shall, on two days written notice, return the deposited share warrants to the depositor.  |  |



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|     | <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>   |                                  |
| 61. | <p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ol> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p> | <b>Capitalisation of profits</b> |
| 62. | <p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> <li>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</li> <li>b. generally to do all acts and things required to give effect thereto.</li> </ol> <p>ii. The Board shall have power—</p> <ol style="list-style-type: none"> <li>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</li> <li>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</li> </ol>  |                                  |



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|     | iii. Any agreement made under such authority shall be effective and binding on such members.   |  |
| 63. | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.   | <b>Buy-back of shares</b>              |
| 64. | All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.  | <b>General Meeting</b>                 |
| 65. | <p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p> |  |
| 66. | <p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>   |  |
| 67. | The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.  | <b>Proceedings at general meetings</b> |
| 68. | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.   |  |
| 69. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.   |  |
| 70. | The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.  |  |
| 71. | A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.  |  |
| 72. | <p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>   | <b>Demand for poll</b>                 |
| 73. | i. A poll demanded on a question of adjournment shall be taken forthwith.  | <b>Time of taking</b>                  |



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|     | ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.   | <b>poll</b>                             |
| 74. | <p>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> | <b>Adjournment of meeting</b>           |
| 75. | <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p> <p>ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</p>   |   |
| 76. | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.  |   |
| 77. | <p>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>  | <b>Voting rights</b>                    |
| 78. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.   |   |
| 79. | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.  |   |
| 80. | Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.  |   |
| 81. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.  |   |
| 82. | <p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive</p>   |   |
| 83. | No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.  |   |
| 84. | In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.  | <b>Casting Vote</b>                     |
| 85. | A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.   | <b>Representation of Body Corporate</b> |
| 86. | The Company shall comply with provisions of Section 111 of the Companies Act, 2013,   | <b>Circulation of</b>                   |



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|     | relating to circulation of member's resolution.  | <b>member's resolution</b>   |
| 87. | The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.  | <b>Resolution requiring special notice</b>                                       |
| 88. | The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.  | <b>Resolutions passed at adjourned meeting</b>                                   |
| 89. | The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.   | <b>Registration of resolutions and agreements</b>                                |
| 90. | <p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>A. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>B. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>a. is or could reasonably be regarded, as defamatory of any person</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. is detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p> | <b>Minutes of proceedings of general meeting and of Board and other meetings</b> |
| 91. | The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.  | <b>Minutes to be considered to be evidence</b>                                   |
| 92. | No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.   | <b>Publication of reports of proceeding of general meetings</b>                  |



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| 93.  | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.   | <b>Proxy</b>              |
| 94.  | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.  |                           |
| 95.  | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:<br><br>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.  |                           |
| 96.  | The first directors of the Company shall be:<br>1. Shri H.S. Kumbhat<br>2. Shri Kaushal Kumbhat<br>3. Shri Pradip Kumbhat   | <b>Board of Directors</b> |
| 97.  | The Directors need not hold any "Qualification Share(s)".   |                           |
| 98.  | Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:<br>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.<br><br>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors. |                           |
| 99.  | i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.<br>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—<br>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or<br>b. in connection with the business of the company  |                           |
| 100. | The Board may pay all expenses incurred in getting up and registering the company.  |                           |
| 101. | The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.   |                           |
| 102. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.  |                           |



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| 103. | Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.   |   |
| 104. | <p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>   |   |
| 105. | Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.   |   |
| 106. | The remaining Directors shall be appointed in accordance with the provisions of the Act.  |   |
| 107. | At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.   | <b>Retirement and Rotation of Directors</b> |
| 108. | Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.  |   |
| 109. | Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.   |   |
| 110. | Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.   |   |
| 111. | Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholtime or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places. | <b>Nominee Director</b>                     |
| 112. | The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.   |   |
| 113. | The Nominee Directors so appointed shall hold the said office only so long as any money only so long as the moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.   |   |
| 114. | The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such  |   |

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|      | <p>meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Corporation/IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>   |                             |
| 115. | Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.  |                             |
| 116. | The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.  | <b>Removal of Directors</b> |
| 117. | Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.  |                             |
| 118. | On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.  |                             |
| 119. | <p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <ol style="list-style-type: none"> <li>1. in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</li> <li>2. send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</li> </ol> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p> |                             |
| 120. | A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.   |                             |
| 121. | A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.   |                             |
| 122. | <p>If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.</p>   |                             |
| 123. | Nothing in this section shall be taken-  |                             |

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|      | <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>  |  |
| 124. | <p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>  | <p><b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b></p>                     |
| 125. | <p>Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 &amp; 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.</p>   |  |
| 126. | <p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>a. The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>b. The Power to authorize buy-back of securities under Section 68 of the Act.</p> <p>c. Power to issue securities, including debenture, whether in or outside India</p> <p>d. The power to borrow moneys</p> <p>e. The power to invest the funds of the Company,</p> <p>f. Power to Grant loans or give guarantee or provide security in respect of loans</p> <p>g. Power to approve financial statements and the Board's Report</p> <p>h. Power to diversify the business of the Company</p> <p>i. Power to approve amalgamation, merger or reconstruction</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</p> <p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal</p> | <p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting.</b></p> |



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|      | <p>officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>   |  |
| 127. | <p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorize the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by</p> | <p><b>Restriction on powers of Board</b></p> |



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|      | that clause had been exceeded.  |  |
| 128. | Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.  |  |
| 129. | Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorized to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.   | <b>General powers of the Company vested in Directors</b> |
| 130. | <p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <ol style="list-style-type: none"> <li>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</li> <li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li> <li>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</li> <li>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</li> </ol> | <b>Specific powers given to Directors</b>                |





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|  | <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by</p> |  |
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|      | <p>creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p> |   |
| 131. | a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing   | <p><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint</b></p> |

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|      | <p>Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p> | <b>Managing or Whole-time Directors</b> |
| 132. | <p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>  | <b>Proceedings of the Board</b>         |
| 133. | The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.   |   |
| 134. | <p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>   |   |
| 135. | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.  |   |
| 136. | The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.   |   |
| 137. | <p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>  |   |
| 138. | <p>a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>  |   |
| 139. | <p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>   |   |
| 140. | <p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>   |   |
| 141. | All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.   |   |



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| 142. | Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held   |   |
| 143. | Subject to the provisions of the Act,—<br>a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;<br>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.   | <b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b> |
| 144. | A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.  |   |
| 145. | a) The Board shall provide for the safe custody of the seal.<br>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.  | <b>The Seal</b>   |
| 146. | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.  |   |
| 147. | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.   |   |
| 148. | a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.<br>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.   |   |
| 149. | a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.<br>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.<br>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. | <b>Dividends and Reserve</b>  |
| 150. | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.   |   |
| 151. | a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing   |   |

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|      | <p>direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>   |   |
| 152. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.   |   |
| 153. | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.   |   |
| 154. | <p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>  |   |
| 155. | <p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>   |   |
| 156. | The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.  |   |
| 157. | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.  |   |
| 158. | <p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.</p>  | <b>Accounts</b>   |
| 159. | <p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>i. be kept at the registered office of the Company, and</p> <p>ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p> | <b>Inspection of Statutory Documents of the Company</b> |
| 160. | <p>21. The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>22. The register of charges and instrument of charges, as per clause (i) above, shall</p>  | <b>Register of charges</b>                              |



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|      | <p>be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>a. by any member or creditor without any payment of fees; or</li> <li>b. by any other person on payment of such fees as may be prescribed,</li> </ol> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>   |                   |
| 161. | <ol style="list-style-type: none"> <li>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</li> <li>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</li> <li>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</li> <li>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</li> </ol>  | <b>Audit</b>      |
| 162. | <p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ol style="list-style-type: none"> <li>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</li> <li>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</li> <li>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</li> </ol>   | <b>Winding up</b> |
| 163. | <p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—</p>   | <b>Indemnity</b>  |
| 164. | <ol style="list-style-type: none"> <li>a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</li> <li>b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</li> </ol> | <b>Secrecy</b>    |



## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Issue Agreement dated July 28, 2017 between our Company, Selling Shareholders and Hem Securities Limited as Lead Manager to the Issue.
2. Agreement dated July 28, 2017 executed between our Company, Selling Shareholders and the Registrar to the Issue (Bigshare Services Pvt. Ltd.)
3. Banker to the Issue Agreement dated September 8, 2017 among our Company, Selling Shareholders, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated August 24, 2017 between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated August 24, 2017 between our Company, Selling Shareholder, Lead Manager and Underwriter.
6. Share Escrow Agreement dated September 8, 2017 among our Company, the Selling Shareholder, the LM and Escrow Agent
7. Tripartite Agreement dated July 04, 2017 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated August 10, 2017 among NDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated July 12, 1994 issued by the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh & Mizoram, Shillong.
3. Fresh Certificate of Incorporation dated December 21, 2000 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana consequent upon change of State of Registered office of the Company.
4. High Court order dated May 20, 2010 for the approval of scheme of merger between FMS Securities Limited and Share India securities Limited under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.
5. Fresh Certificate of Incorporation dated July 15, 2010 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana consequent upon name change of the Company.
6. Fresh Certificate of Incorporation dated May 02, 2012 issued by the Registrar of Companies, Uttar Pradesh consequent upon change of State of Registered office of the Company.
7. Copy of the Board Resolution dated July 06, 2017 authorizing the Issue and other related matters.
8. Copy of Shareholder's Resolution dated July 22, 2017 authorizing the Issue and other related matters.
9. Copies of the Authority letters provided by the Selling Shareholders.
10. Copies of Audited Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 & 2013.
11. Peer Review Auditors Report dated August 08, 2017 on Restated Standalone Financial Statements of our Company for the years ended March 31, 2017, 2016, 2015, 2014 & 2013 and Restated Consolidated Financial Statements of our Company for the years ended March 31, 2017 and 2016.
12. Copy of the Statement of Tax Benefits dated August 17, 2017 from the Statutory Auditor.
13. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoters of





- our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
14. Copy of Certificate from the Peer Review Auditors of our Company M/s Narendra Sharma & Co., Chartered Accountant dated August 08, 2017 regarding the Eligibility of the Issue.
  15. Board Resolution dated August 18, 2017 for approval of Draft Prospectus, dated September 14, 2017 for approval of Prospectus
  16. Due Diligence Certificate from Lead Manager dated August 18, 2017 filed with BSE and dated September 14, 2017 filed with SEBI.
  17. Approval from BSE vide letter dated September 13, 2017 to use the name of BSE in the Prospectus for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties subject to compliance of the provisions contained in the Companies Act and other relevant statutes.





**DECLARATION**

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE SELLING SHAREHOLDER:**

Sd/-

\_\_\_\_\_ **Mr. Parveen Gupta**

**Place: Delhi**

**Date: September 14, 2017**



**DECLARATION**

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE SELLING SHAREHOLDER:**

Sd/-

\_\_\_\_\_ **Mr. Rajesh Gupta**

**Place: Delhi**

**Date: September 14, 2017**



**DECLARATION**

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE SELLING SHAREHOLDER:**

Sd/-

\_\_\_\_\_ **Mrs. Rekha Gupta**

**Place: Delhi**

**Date: September 14, 2017**



**DECLARATION**

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE SELLING SHAREHOLDER:**

Sd/-

\_\_\_\_\_ **Mr. Yash Pal Gupta**

**Place: Delhi**

**Date: September 14, 2017**



**DECLARATION**

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE SELLING SHAREHOLDER:**

Sd/-

\_\_\_\_\_ **Mr. Sachin Gupta**

**Place: Delhi**

**Date: September 14, 2017**



**DECLARATION**

I, the person mentioned herein below, as the Selling Shareholder, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE SELLING SHAREHOLDER:**

Sd/-

\_\_\_\_\_ **Mrs. Tripti Gupta**

**Place: Delhi**

**Date: September 14, 2017**



**DECLARATION**

We, the person/persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY**

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| <p>Sd/-</p> <p><b>Mr. Parveen Gupta</b><br/>Chairman &amp; Managing Director<br/>DIN: 00013926</p> | <p>Sd/-</p> <p><b>Mr. Sachin Gupta</b><br/>Whole Time Director<br/>DIN: 00006070</p>         |
| <p>Sd/-</p> <p><b>Mr. Rajesh Gupta</b><br/>Whole Time Director<br/>DIN: 00006056</p>               | <p>Sd/-</p> <p><b>Mrs. Saroj Gupta</b><br/>Whole Time Director<br/>DIN: 00013839</p>         |
| <p>Sd/-</p> <p><b>Mr. Rohin Gupta</b><br/>Whole Time Director<br/>DIN: 06942300</p>                | <p>Sd/-</p> <p><b>Mr. Yashpal Gupta</b><br/>Non executive Director<br/>DIN: 00013872</p>     |
| <p>Sd/-</p> <p><b>Mr. Vikas Kumar Mittal</b><br/>Independent Director<br/>DIN: 00417594</p>        | <p>Sd/-</p> <p><b>Mr. Rakesh Kumar Sharma</b><br/>Independent Director<br/>DIN: 07159218</p> |
| <p>Sd/-</p> <p><b>Mr. Santosh Kumar Taneja</b><br/>Independent Director<br/>DIN: 07877338</p>      |  |

**SIGNED BY THE COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER OF THE COMPANY:**

|   |  |
|---|--|
| <p>Sd/-</p> <p><b>Mr. Vikas Aggarwal</b><br/>Company Secretary and Compliance Officer</p> | <p>Sd/-</p> <p><b>Mr. Vijay Kumar Rana</b><br/>Chief Financial Officer</p> |
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**Place: Sahibabad**

**Date: September 14, 2017**